

Date: Monday, June 12, 2006

Time: 9:00 a.m.

Where: Orange County Transportation Authority Headquarters
600 South Main Street, First Floor - Conference Room 154
Orange, California 92868



AGENDA

Orange County Transportation Authority Board Meeting
OCTA Headquarters
First Floor - Room 154, 600 South Main Street
Orange, California
Monday, June 12, 2006, at 9:00 a.m.

ACTIONS

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Invocation

Director Norby

Pledge of Allegiance

Director Wilson

Agenda Descriptions

The agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board of Directors may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

Public Comments on Agenda Items

Members of the public wishing to address the Board of Directors regarding any item appearing on the agenda may do so by completing a Speaker's Card and submitting it to the Clerk of the Board. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.



AGENDA

ACTIONS

Special Matters

1. **Public Hearing on the Orange County Transportation Authority's Fiscal Year 2006-07 Budget**

Andrew Oftelie/James S. Kenan

Overview

The Orange County Transportation Authority Fiscal Year 2006-07 Budget presents a balanced plan of sources and uses of funds while providing for the current and future transportation requirements of Orange County. The public hearing provides the public the opportunity to comment on the details of the budget. The Board of Directors may approve the fiscal year 2006-07 budget following the public hearing on June 12, 2006, at the regularly scheduled Board meeting on June 26, 2006, or in a special meeting convened prior to July 1, 2006, by when state law mandates budget approval.

Recommendations

- A. Conduct a public hearing on the Orange County Transportation Authority's Fiscal Year 2006-07 Budget on June 12, 2006.
- B. Approve by resolution the Orange County Transportation Authority's Fiscal Year 2006-07 Budget.
- C. Approve changes to the Personnel and Salary Resolution.
- D. Authorize the Purchasing Agent to execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements.
- E. Defer the scheduled increases in the charge for premium door-to-door ACCESS service by one calendar year and direct staff to make appropriate changes to the Orange County Transportation Authority Schedule of Tariffs.



AGENDA

ACTIONS

Consent Calendar (Items 2 through 23)

All matters on the Consent Calendar are to be approved in one motion unless a Board member or a member of the public requests separate action on a specific item.

Orange County Transportation Authority Consent Calendar Matters

2. Approval of Minutes

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of May 22, 2006.

3. Appointments to the Riverside Orange Corridor Authority Board

Chairman Arthur C. Brown

Approval is requested on appointments to the Riverside Orange Corridor Authority Board.

4. Public Reports of Meetings; Policy for Compensation, Reimbursement of Expenses, and Ethics Training for Members of the Board of Directors

Overview

On May 8, 2006, the Board of Directors approved a Policy for Compensation, Reimbursement of Expenses, and Ethics Training for Members of the Board of Directors. The Policy includes a requirement for Directors to report on meetings attended at the expense of the Authority. A clarification defining meetings is proposed.

Recommendation

Approve revising Section IV K of the Policy for Compensation, Reimbursement of Expenses and Ethics Training for Members of the Board of Directors to require reports on Director attendance at Brown Act meetings, other than OCTA standing committee meetings, and for Director travel activities approved by the Board of Directors.



AGENDA

ACTIONS

5. **State Legislative Status Report**
Wendy Villa/Richard J. Bacigalupo

Overview

An oppose position is recommended on efforts to subvert the Foothill Transportation Corridor-South extension planning and development process in response to Assembly Budget Subcommittee #5 recommendations.

Recommendation

Adopt the following policy positions on proposed legislation:

Oppose legislative efforts to impede the local planning and development process for the Foothill Transportation Corridor-South extension.

6. **Rubberized Asphalt Incentive Grant for the Garden Grove Freeway (State Route 22) Improvement Project**
Ric Teano/Richard J. Bacigalupo

Overview

The California Integrated Waste Management Board awards grant funds on a competitive basis to promote recycled products derived from waste tires generated within California to reduce environmental impacts associated with their disposal. Authorization is requested to submit grant proposals to help offset the costs associated with using rubberized asphalt for the Garden Grove Freeway (State Route 22) Improvement Project.

Recommendation

Adopt Resolution No. 2006-29 authorizing the Chief Executive Officer to submit applications and, if awarded, execute grant-related agreements with the State of California Integrated Waste Management Board.



AGENDA

ACTIONS

7. **Cooperative Agreement with the City of Santa Ana for the Bristol Street Widening Project**

Paul C. Taylor

Overview

The Orange County Transportation Authority Board of Directors has approved a Bristol Street Widening Project Funding Plan and directed that a cooperative agreement be negotiated with the City of Santa Ana to establish roles, responsibilities, and process for the design, construction, right-of-way acquisition, and partial funding of the Bristol Street Widening project.

Recommendation

Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0069 between the Orange County Transportation Authority and the City of Santa Ana, in an amount not to exceed \$125 million, for the partial funding of the Bristol Street Widening project.

8. **Freeway Retrofit Soundwall Program Status Report**

Grace David/Paul C. Taylor

Overview

The Orange County Transportation Authority continues to work cooperatively with the California Department of Transportation to address the need for retrofit soundwalls along the Orange County freeway system. Development on the Orange County Freeway Retrofit Soundwall Program continues to advance at ten study locations.

Recommendations

- A. Direct staff to continue cooperative efforts with the California Department of Transportation to develop projects in support of the Freeway Retrofit Soundwall Program.
- B. Approve the proposed update to the Freeway Retrofit Soundwall Policy.



AGENDA

ACTIONS

9. **Amendment to Agreements for On-Call Noise Barrier Consultants for the Orange County Freeway Retrofit Soundwall Program**
Grace David/Paul C. Taylor

Overview

On July 8, 2002, the Board of Directors approved agreements with six firms to provide on-call consultant services to study potential retrofit noise barriers. All of the firms were retained in accordance with the Orange County Transportation Authority procurement procedures for professional and technical services. Board of Directors action is required to increase the total funding ceiling for these agreements to add the budgeted amounts for fiscal year 2006-07.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreements C-2-0522, C-2-0778, C-2-0779, C-2-0780, C-2-0781, and C-2-0783 between the Orange County Transportation Authority and Parsons Engineering Science, Inc., Parsons Brinckerhoff Quade & Douglas, Inc., LSA Associates, Inc., Washington Group International, Inc., Willdan, and Tetra Tech, Inc., to increase the maximum obligation by \$430,000, to a total amount not to exceed \$1,280,000, for noise barrier consultant support services.

10. **Memorandum of Agreement Regarding Goods Movement**
Barry Engelberg/Paul C. Taylor

Overview

Over a period of months, the chief executive officers of the transportation authorities and commissions in Southern California have discussed the parameters of an agreement where, through a collaborative effort, the goods movement needs in the region could be addressed.

Recommendation

Authorize the Chief Executive Officer to execute a Memorandum of Agreement with other county transportation commissions to collaboratively develop a Southern California goods movement strategy.



AGENDA

ACTIONS

11. **Fiscal Year 2005-06 Third Quarter Budget Status Report**
Rene I. Vega/James S. Kenan

Overview

The Orange County Transportation Authority's staff has implemented the fiscal year 2005-06 budget. This report summarizes the material variances between the budget plan and actual revenues and expenses.

Recommendation

Receive and file as an information item.

12. **Third Quarter Fiscal Year 2005-06 Grant Status Report**
Linda M. Gould/James S. Kenan

Overview

The Quarterly Grant Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on significant grant activity for the period of January through March 2006. The Quarterly Grant Status Report summarizes future grant applications, pending grant applications, executed grant awards, current grant agreements, and closed-out grant agreements.

Recommendation

Receive and file as an information item.

13. **Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limitation for Fiscal Year 2006-07**
Monica Giron/James S. Kenan

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIII B at a regularly scheduled meeting.



AGENDA

ACTIONS

13. (Continued)

Recommendation

Adopt Orange County Transportation Authority Resolution No. 2006-33 to establish the Orange County Transportation Authority General Fund appropriations limit at \$7,402,156 for fiscal year 2006-07.

14. **Amendment to Agreement for Financial Advisory Services**

Kirk Avila/James S. Kenan

Overview

In July 2003, the Orange County Transportation Authority executed an agreement with Sperry Capital Incorporated to provide financial and investment advisory services to the Orange County Transportation Authority. Sperry Capital Incorporated was retained in accordance with the Orange County Transportation Authority's procurement procedures for a period of three years with a two-year option. Funds have been set aside in the proposed fiscal year 2006-07 budget for these services.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-3-0554 between the Orange County Transportation Authority and Sperry Capital Incorporated to provide financial and investment advisor services to the Orange County Transportation Authority.

Orange County Local Transportation Authority Consent Calendar Matters

15. **Resolution to Establish the Orange County Local Transportation Authority Measure M Appropriations Limitation for Fiscal Year 2006-07**

Monica Giron/James S. Kenan

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIIB at a regularly scheduled meeting.



AGENDA

ACTIONS

15. (Continued)

Recommendation

Adopt Orange County Local Transportation Authority Measure M Resolution No. 2006-32 to establish the Orange County Local Transportation Authority Measure M appropriations limit at \$1,122,895,973, for fiscal year 2006-07.

Orange County Transit District Consent Calendar Matters

16. **Review of Transit Maintenance Tire Lease and Service**

Lisa Monteiro/Richard J. Bacigalupo

Overview

Internal Audit has completed a review of the Transit Division, Maintenance Department tire lease and service process. Recommendations have been made to strengthen internal controls.

Recommendation

Receive and file the March 29, 2006, Operations Maintenance Tire Lease and Service - Internal Audit Report No. 06-014.

17. **Agreement for Concrete Pavement Reconstruction at the Garden Grove Base and Anaheim Base**

James J. Kramer/Paul C. Taylor

Overview

As a part of the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, the Board approved concrete pavement reconstruction at the Garden Grove and Anaheim bases. Bids were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Board approval is requested to execute the agreement.



AGENDA

ACTIONS

17. (Continued)

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0105 between the Orange County Transportation Authority and Damon Construction, the lowest responsive, responsible bidder, in an amount not to exceed \$989,000, for concrete pavement reconstruction at the Garden Grove and Anaheim bases.

18. Agreement for Restroom Supplies

Al Pierce/John D. Byrd

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, the Board approved the purchase of restroom supplies.

Recommendations

- A. Authorize the Chief Executive Officer to execute Agreement D-6-0182 between the Orange County Transportation Authority and Kathco Products, in an amount not to exceed \$105,000, for the purchase of restroom supplies required for a one-year period with two option years.
- B. Authorize the Chief Executive Officer to execute Agreement D-6-0380 between the Orange County Transportation Authority and Gale Supply Company, in an amount not to exceed \$35,000, for the purchase of restroom supplies required for a one-year period with two option years.

19. Amendment to Agreement for Janitorial Services

Al Pierce/John D. Byrd

Overview

On February 6, 2003, the Board of Directors approved an agreement with Diamond Contract Services, Inc., to provide janitorial services at all Orange County Transportation Authority owned facilities for a one-year period with two one-year options.



AGENDA

ACTIONS

19. (Continued)

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 7 to Agreement C-2-1189 between the Orange County Transportation Authority and Diamond Contract Services, Inc., in an amount not to exceed \$370,000, to extend the contract from June 30, 2006, to December 31, 2006, for janitorial services at all Orange County Transportation Authority owned facilities.

20. **Agreement for Underground Storage Tank Testing and Repair Service**
Al Pierce/John D. Byrd

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, the Board approved the contracting of underground storage tank testing and repair services at the four Orange County Transportation Authority operating bases.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0178 between the Orange County Transportation Authority and Inland Petroleum Equipment and Repair, Inc., in an amount not to exceed \$100,000, for underground storage tank testing and repair service.

21. **Orange County Transportation Authority Bus Service to the Orange County Fair**
Jorge Duran/John D. Byrd

Overview

The Orange County Transportation Authority is proposing to operate three weekend routes to the Orange County Fair in July 2006 as a demonstration project. The service will operate from park and ride sites to and from the Orange County Fair. If implemented, the service will consume about 870 total revenue vehicle hours at a cost of approximately \$62,300.



AGENDA

ACTIONS

21. (Continued)

Recommendation

Approve the implementation of weekend bus service to the 2006 Orange County Fair as a demonstration project.

22. **Agreement for Mobility Planning Services**

Gracie Davis/John D. Byrd

Overview

The Orange County Transportation Authority provides mobility planning services as part of the Paratransit Growth Management Plan. These services are currently provided under contract with Transit Access, Inc. The current contract is scheduled to expire on June 30, 2006. A competitive procurement has been conducted. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-5-3038 between the Orange County Transportation Authority and Transit Access, Inc., in an amount not to exceed \$235,335, for mobility training for the initial term July 1, 2006, through June 30, 2008.

23. **Amendment to Agreement for Provision of Same-Day Taxi Service**

Erin Rogers/John D. Byrd

Overview

On May 26, 2005, the purchasing agent approved an agreement with Yellow Cab of Greater Orange County, in the amount of \$75,000, to provide same-day taxi service for ACCESS eligible customers.



AGENDA

ACTIONS

23. (Continued)

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-2376 to increase the current maximum obligation and exercise the first option year between the Orange County Transportation Authority and Yellow Cab of Greater Orange County, in an amount not to exceed \$178,410, for same-day taxi service.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

24. **Third Quarter Fiscal Year 2005-06 Bus Operations Monthly Performance Measurements Report**

James L. Cook, Jr./James S. Kenan

Overview

The Orange County Transportation Authority recognizes the need for improved accountability and operational performance. With this in mind, the Bus Operations Monthly Performance Measurements report was developed in accordance with executive management direction. The Bus Operations Monthly Performance Measurements Report serves as a tool to survey operational performance and as the nexus for process improvements.

Recommendation

Receive and file as an information item.

Other Matters

25. **Bus Rapid Transit Project Update**

Jorge Duran/John D. Byrd

26. **Directors' Meeting Reports**



AGENDA

ACTIONS

27. Chief Executive Officer's Report

28. Directors' Reports

29. Public Comments

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-Agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.

30. Closed Session

Pursuant to Government Code Section 54956.8, to discuss negotiations regarding the real property located at 16281 Construction Circle West, Irvine, California. The real property is owned by Laidlaw Transit Services, Inc., and its negotiator is John W. Morse; the negotiator for the Orange County Transportation Authority is Kennard R. Smart, Jr.

31. Adjournment

The next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSAAV Board will be held at **9:00 a.m. on June 26, 2006**, at OCTA Headquarters at 600 South Main Street, First Floor - Room 154, Orange, California.



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject Public Hearing on the Orange County Transportation Authority's Fiscal Year 2006-07 Budget

Finance and Administration Committee

May 24, 2006

Present: Directors Campbell, Cavecche, Correa, Duvall, and Wilson
Absent: Director Pringle

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Conduct a public hearing on the Orange County Transportation Authority's Fiscal Year 2006-07 Budget on June 12, 2006.
- B. Approve by resolution the Orange County Transportation Authority's Fiscal Year 2006-07 Budget.
- C. Approve changes to the Personnel and Salary Resolution.
- D. Authorize the Purchasing Agent to execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements.
- E. Defer the scheduled increases in the charge for premium door-to-door ACCESS service by one calendar year and direct staff to make appropriate changes to the Orange County Transportation Authority Schedule of Tariffs.



May 24, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Recommendations for the Public Hearing on the Orange County Transportation Authority's Fiscal Year 2006-07 Budget

Overview

The Orange County Transportation Authority Fiscal Year 2006-07 Budget presents a balanced plan of sources and uses of funds while providing for the current and future transportation requirements of Orange County. The public hearing provides the public the opportunity to comment on the details of the budget. The Board of Directors may approve the fiscal year 2006-07 budget following the public hearing on June 12, 2006, at the regularly scheduled Board meeting on June 26, 2006, or in a special meeting convened prior to July 1, 2006, by when state law mandates budget approval.

Recommendations

- A. Conduct a public hearing on the Orange County Transportation Authority's Fiscal Year 2006-07 Budget on June 12, 2006.
- B. Approve by resolution the Orange County Transportation Authority's Fiscal Year 2006-07 Budget.
- C. Approve changes to the Personnel and Salary Resolution.
- D. Authorize the Purchasing Agent to execute the software and hardware licensing, maintenance, and emergency support purchase orders and/or agreements.
- E. Defer the scheduled increases in the charge for premium door-to-door ACCESS service by one calendar year and direct staff to make appropriate changes to the Orange County Transportation Authority Schedule of Tariffs.

Background

Orange County Transportation Authority (OCTA) staff has developed a balanced budget for fiscal year (FY) 2006-07 that defines the financial resources required to provide multi-modal transportation services to Orange County residents.

An informal budget workshop was conducted with the Board of Directors (Board) on Monday, May 8, 2006, during which staff made a presentation on the proposed plans for each of the OCTA's programs and services and their associated revenues and expenses.

Official notice of this public hearing was posted in accordance with OCTA policy. According to state law, the budget must be approved prior to July 1, 2006.

Discussion

The preparation of the OCTA annual budget began in December 2005 in coordination with the Fiscal Year 2006 Comprehensive Business Plan. The development of the budget begins with preliminary revenue projections for the upcoming fiscal year which are further refined as additional information becomes available such as the release of revised economic forecasts, updates on the state budget and data collection on current year revenue performance.

The development of a service plan and program goals got underway in earnest in January 2006, as well as the input of budget requests into the OCTA's budget system. Following a brief period of review and consolidation, the initial budget request was presented to executive management with an emphasis on comparing revenue projections with proposed expenditures. Due to strong revenue forecasts and the cost containment associated with mandated service for persons with disabilities, administrative health care and workers' compensation, OCTA intends to increase bus service by 3.1 percent in FY 2006-07. Also, OCTA will invest in the expansion of Metrolink service and continue with freeway improvements on the Garden Grove Freeway (State Route 22) Design/Build Freeway project and the Santa Ana Freeway (Interstate 5) Gateway project.

Meetings between executive directors/managers and the budget team to review budget requests followed soon after. The result of these meetings were to 1) agree on either keeping or eliminating budget items (staffing, services and supplies, and capital items) or 2) agreeing to disagree and continuing the

discussion in formal presentations of divisional budgets with the Chief Executive Officer (CEO).

Discussions stretched into April and included successive meetings to bring service plans in line with available funding. Once final revisions were made, the budget team began producing and distributing budget documents.

The FY 2006-07 budget represents a balanced plan of sources and uses of funds. The combination of estimated revenues and use of reserves produces available funding of \$844.5 million, while proposed expenditures and designations yield a total use of funds of \$844.5 million (Attachment A - Resolution and Attachment B - Budget Summary).

The available funding includes revenues of \$731 million and reserve usage of \$113.5 million. The reserve usage is comprised of funds previously designated or reserved for operating and capital projects. The largest reserve utilization is in the Orange County Transit District (OCTD) (\$64.3 million) and is used for the local share of capital purchases.

The proposed use of funds consist of salaries and benefits of \$128.5 million, services and supplies of \$421.8 million, debt service of \$100.2 million, capital and fixed assets of \$122.9 million and designations for future operating and capital requirements of \$71.1 million. The largest designations are in the Local Transportation Authority (LTA) fund, which sets aside resources for future Measure M projects (\$33.8 million), and the Commuter Urban Rail Endowment (CURE) fund for capital investments associated with the expansion of Metrolink (\$21.8 million).

On a year-over-year comparison, the FY 2006-07 is 23.9 percent (\$162.7 million) greater than the FY 2005-06 budget. The investment in Metrolink operations and capital of \$76.8 million, Bristol Street widening (\$36 million), and \$39.9 million of bus capital accounts for this year-over-year variance.

**Recommendations for the Public Hearing on the Orange
County Transportation Authority's Fiscal Year 2006-07
Budget**

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The budget has been presented to the following committees as well as to individual Board Members upon request.

Committee	Conducted	Scheduled
Finance and Administration	May 10	May 24
Regional Planning and Highways	May 15	June 5
Transit Planning and Operations	May 11	May 25 June 8
Legislative and Government Affairs/Public Communications	May 18	June 1
Executive		June 5
Board of Directors Meeting		June 12

The Board may approve the FY 2006-07 budget following the June 12, 2006, public hearing at the regularly scheduled meeting on June 26, 2006, or in a special meeting convened prior to July 1, 2006, by when state law mandates budget approval.

Information Systems Licensing and Maintenance Agreements

Each year in conjunction with approving the budget, the Board approves OCTA's software and hardware licensing and maintenance agreements. OCTA's investment in its software packages and hardware systems must be preserved to ensure proper maintenance and to receive critical product upgrades. The annual licensing and maintenance agreements are executed with each hardware and software developer on a sole source basis. The FY 2006-07 budget includes \$2.0 million for these licensing and maintenance agreements as well as \$0.6 million for emergency support during after hours, weekends, and holidays. A list of the agreements is included as Attachment C. Personnel and Salary Resolution

The Personnel and Salary Resolution (P&S) for FY 2006-07 includes up to a maximum of a 4 percent merit pool and 3 percent special award pool for administrative employees. Administrative employees do not receive step increases, general increases, or cost of living adjustments. Special awards are a one time lump sum payment to recognize employees who have demonstrated outstanding performance and to further encourage that performance. A salary structure adjustment of 2 1/2 percent is recommended

for FY 2006-07. This will not result in any automatic salary increases for administrative employees.

All OCTA employees, other than administrative employees below salary grade P, currently receive an OCTA paid deferred compensation benefit. For administrative employees at salary grades P and above, OCTA provides a 1 percent deferred compensation match to employees that have been employed at OCTA for five years, 2 percent for employees that have been employed at OCTA for 10 years and 3 percent for employees that have been employed at OCTA for 20 years. Beginning FY 2006-07, OCTA will match deferred compensation contributions for all administrative employees under the same tenure-based arrangement. Union personnel will receive wage increases and deferred compensation contributions in accordance with their respective collective bargaining agreements. A summary of proposed changes to the Personnel and Salary Resolution is included in Attachment D.

Door-to-Door Service

On October 25, 2004, the Board approved the implementation plan for paratransit growth management and a new fare policy. At that time, the Board directed staff to implement a phased-in increase in the fare for premium door-to-door ACCESS service. Specifically, the Board directed staff to increase the fare for this service to \$4.00 effective July 1, 2006, and to \$5.00 effective July 1, 2007. Staff has closely monitored the results of the growth management plan and has reported a noticeable mitigation of demand. Due to this success, staff recommends that the scheduled increases in the charge for door-to-door service be deferred by one calendar year. The Schedule of Tariffs will be changed to reflect an increase in the fare for door-to-door ACCESS service to \$4.00 effective July 1, 2007, and an increase to \$5.00 effective July 1, 2008.

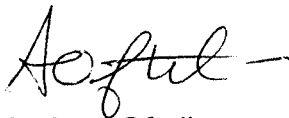
Summary

The Orange County Transportation Authority Fiscal Year 2006-07 Budget was reviewed by the Board of Directors in a workshop setting on May 8, 2006, and in each committee prior to the public hearing scheduled for June 12, 2006. The Board of Directors may approve the FY 2006-07 budget following the public hearing on June 12, 2006, at the regularly scheduled meeting on June 26, 2006, or in a special meeting convened prior to July 1, 2006, by when state law mandates budget approval.

Attachments

- A. A Resolution of the Board of Directors for the Orange County Transportation Authority Approving an Operating and Capital Budget for Fiscal Year 2006-07.
- B. Orange County Transportation Authority Fiscal Year 2006-07 Budget Summary.
- C. Orange County Transportation Authority Licensing and Maintenance Agreements Sole Source List.
- D. Summary of Proposed Changes to the Personnel and Salary Resolution Fiscal Year 2007.
- E. Personnel & Salary Resolution Fiscal Year 2007.

Prepared by:



Andrew Oftelie
Department Manager,
Financial Planning and Analysis
(714) 560-5649

Approved by:



James S. Kenan
Executive Director, Finance,
Administration and Human Resources
(714) 560-5678

**A RESOLUTION OF THE BOARD OF DIRECTORS FOR
THE ORANGE COUNTY TRANSPORTATION AUTHORITY
APPROVING AN OPERATING AND CAPITAL BUDGET
FOR FISCAL YEAR 2006-07.**

WHEREAS, the Chief Executive Officer and staff have prepared and presented to the Board of Directors a proposed operating and capital budget in the amount of \$844.5 million for Fiscal Year 2006-07;

WHEREAS, said Chief Executive Officer and staff did conduct a public workshop before the Board of Directors on May 8, 2006, in the Board Chambers, at which time the proposed budget was considered;

WHEREAS, a public hearing was conducted on June 12, 2006, at which the public was invited to express its views and objections to said budget; and,

WHEREAS, the original of said proposed budget will be revised to reflect each and all of the amendments, changes, and modifications which the Board of Directors, up to the time of the approval of this resolution, believes should be made in said proposed budget as so submitted and to correct any non-substantive errors or omissions.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the Orange County Transportation Authority as follows:

1. The operating and capital budget of the Orange County Transportation Authority and all affiliated agencies for the Fiscal Year July 1, 2006, through June 30, 2007, is hereby approved, a copy of which is on file with the Clerk of the Board.

2. The Clerk of the Board shall certify to the passage and approval of this resolution, and it shall thereupon be in full force and effect.

ADOPTED, SIGNED, AND APPROVED this 12th day of June 2006.

AYES:

NOES:

ABSENT:

ATTEST:

Wendy Knowles
Clerk of the Board

Art Brown, Chairman
Orange County Transportation Authority

**Orange County Transportation Authority
Fiscal Year 2006-07
Budget Summary**

\$ in millions

Estimated Revenues	\$	731.0
Utilization of Designated/Reserved Fund		113.5
		<hr/>
Total Sources of Funds	\$	844.5

Appropriate Funds to:

Salaries & Benefits	\$	128.5
Services & Supplies		421.8
Debt Service		100.2
Capital / Fixed Assets		122.9
		<hr/>
Total Expenses	\$	773.4
Designation of Funds	\$	71.1
		<hr/>
Total Uses of Funds	\$	844.5

**Orange County Transportation Authority
Licensing and Maintenance Agreements
Sole Source List**

Vendor Name	Software / Hardware Product	Amount
Alliance Systems	Interactive Intelligence Telephony System	\$ 50,000
Bi-Tech/ Sungard	ASP Services	120,000
Carpa Datum	Budget Activity Reporting/ Budget System	50,000
Compusoft	LMS - Ed. Reimbursement & SAAV & Commuter Club Software & Adhoc MS-Access Support	65,000
Computer Associates	Erwin, Test Bytes, Data Portal, Forest & Trees, Special Data Portal and UPDM Consulting Support, Desktop DNA	82,000
Dell Computer Inc.	91 Express Lanes Dell Computer Hardware	30,000
Giro	Map / HASTUS / Vehicle/ Crew/ Crew Opt/ Roster/	90,000
Hitachi	Lawson Modifications and Interfaces	50,000
Konica Minolta Business Solutions	Digital Convenience Copiers	50,000
Lawson Software Inc.	Lawson Software	130,000
Mincom	Interface Special Consulting Support	50,000
Mincom	Ellipse Software	100,000
Newlin Consulting	Ridership & Boardings Rpts Support	35,000
Northern Lakes Data Corp	Toll Pro	160,000
On Group	Special Emergency Support	49,000
On-Time Consulting	Oracle Engine & OWB Support & 10gas Ridership Reporting module - Acct/Mkt	60,000
Orbital Sciences Corp.	ITCS/Smart Track	150,000
Salmon Jack Systems	OTS	45,000
Sunguard Bi-The	IFAS	120,000
SIRIT Corporation	ETTM Systems	150,000
Third Wave Corporation	CAMM - NET	55,000
Thomas Bros,	Thomas Brothers, Maps	61,470
Trapeze Software Group	Trapeze Pass 4 - IVR Confirm/Cancel & Real-time MDT & Call back & Trip booking & Gateway	70,000
Trapeze Software Group	Trapeze Software - PASS4 - Mapmaker	95,000
Trapeze Software Group	Trapeze - MDT software with Map Maker	95,000
Subtotal		\$ 2,012,470

**Orange County Transportation Authority
Licensing and Maintenance Agreements
Sole Source List**

Standard Contracts W/ Emergency Support

(The vendors listed below have been detailed to reflect the cost of the emergency support that is required for these vendors. This support is not covered in the basic contract. It will be used for emergency support during after hours, weekends & holidays.)

Vendor Name	Software / Hardware Product	Amount
Bi-Tech/ Sungard	Emergency Support	\$ 5,500
	IFAS	65,000
Database Systems Corp.	(2) TRANSACT	15,500
	(2) PRILIB	
	(2) FAST	
	Tranview / Tranwriter / Easytran	
	Transact & Fast Emergency Support	10,000
Hewlett-Packard	Hewlett-Packard Computers Maintenance	280,800
	Computer Maintenance Emergency Support	21,600
Oracle	DB Engine & Mgt Packs & Gateway	140,000
	Oracle Emergency Support	20,000
On Group	HP/9000;developer;security - Fussion	16,000
	Blacksmith Emergency Support	48,000
On Time	Oracle Forms & Reports Maintenance	35,000
	Auto Allocation Boarding/SalPlan Reports	
	Subtotal	\$ 657,400

Total of Contracts \$ 2,669,870

**Summary of Proposed Changes to the
Personnel and Salary Resolution Fiscal Year 2007**

Personnel Resolution

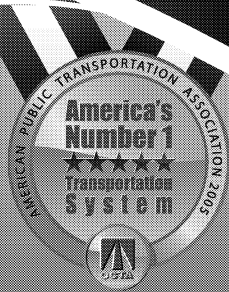
Section	Proposed Change	Reason
3	Deleted Advantage Worker definition	No longer use this category of employee.
3	Add Clerk of the Board to definition of Executive Employee	Incorporated request
3	Deleted Trainee Employee definition	Have not utilized provision since 1994; other options available.
7	Changed regular to full-time and part-time	Clarify eligibility
8	Deleted entire section on Training Period	Have not utilized provision since 1994; other options available.
13/14	Added full-time and part-time	Clarified eligibility for layoff and severance
14	Deleted requirement to repay severance pay previously received from the Authority.	Employees who return to work may have needed the funds for living expenses.
Was 17 now 16	Workweek and Overtime	Consistent with new policy; consistent with actual practice for overtime.
Was 19 now 18	Health, Life, and Disability Insurance Benefits	Incorporates flexibility to change benefit premiums as approved by the Board of Directors.
Was 22 now 21	Revised vacation accrual	Consistent with best practice
Was 32 now 31	Operations Administrator title changed to Field Supervisor; clarified Instructor to mean Coach Operations Instructors.	Consistent with position titles and eligibility
40	Grandfathered Benefits: deleted payments of SDI for former Commission employees	Will increase base pay for 4 employees by \$0.31 per hour. Total cost \$2,579.20 annually.

Salary Resolution

Section	Proposed Change	Reason
2.c / 2.d	Added full-time and part-time	Clarifies eligibility
2.d	Changed salary to merit	Clarifies the type of increase granted and timing of eligibility.
2.f.2 & 2.h	Deleted reference to trainees	Have not utilized provision since 1994; other options available.
Structure	Increase structure minimums and maximums by 2.5%	No increases will be granted automatically; only increases employees' earnings potential.



**ORANGE COUNTY
TRANSPORTATION AUTHORITY**



PERSONNEL & SALARY RESOLUTION

Fiscal Year 2007

Effective June 25, 2006





PERSONNEL AND SALARY RESOLUTION FOR ALL OCTA ADMINISTRATIVE EMPLOYEES

PERSONNEL RESOLUTION

Section 1. Purpose

In order to establish an equitable and uniform plan for dealing with Human Resources matters, to attract and retain the best and most competent employees available, and to ensure selection, promotion, and compensation of employees based on merit, ability, and fitness, the following Human Resources policies are hereby adopted for administrative employees.

Section 2. Human Resources

The Chief Executive Officer is charged with ensuring that Orange County Transportation Authority (the Authority or OCTA) Human Resources policies and procedures provide for an effective and efficient organizational structure, staffed with qualified employees receiving fair and impartial treatment and career advancement opportunities. The Executive Director of Finance, Administration, and Human Resources is responsible for managing the Human Resources functions and shall be responsible for developing and administering Human Resources policies and procedures that are in the best interests of the Authority and its employees.

Section 3. Definitions

- a) **ADMINISTRATIVE EMPLOYEE** shall mean any employee of the Authority not covered by a collective bargaining agreement.
- b) **APPOINTING AUTHORITY** shall mean the Chief Executive Officer; he/she may delegate this responsibility.
- c) **BOARD** shall mean Board of Directors of the Orange County Transportation Authority.
- d) **CLASSIFICATION** or **CLASSIFICATION TITLE** shall refer to the title that identifies the type of work being performed by one or more incumbents in a position.

Employees fill positions. Positions are given classification titles. Classification titles are assigned grades on the salary structure.

**PERSONNEL AND SALARY RESOLUTION
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- e) **COLLEGE INTERN** shall mean an extra-help employee who fills an intern position. The intern must be in college and be engaged in course work leading to an undergraduate or graduate degree in a field of study applicable to the hiring department's specialty.
- f) **EXECUTIVE EMPLOYEE** shall mean an employee classified as Chief Executive Officer, Deputy Chief Executive Officer, Executive Director, Division Director, Director of Special Projects, General Manager, or Clerk of the Board.
- g) **EXEMPT EMPLOYEE** shall mean an employee in a position that is not covered under the provisions of the Fair Labor Standards Act regarding minimum wage, overtime, maximum hours, and record keeping.
- h) **EXTRA-HELP EMPLOYEE** shall mean an employee hired on a temporary basis to serve as part-time augmentation of staffing in which the duty or task defined requires less than 20 hours of work per week and no more than 1,000 work hours within a continuous 12-month period unless approved by the Executive Director, Finance, Administration, and Human Resources. An extra-help employee does not serve an introductory period and is not eligible for employee benefits.
- i) **EXTRA-HELP POSITION** shall mean a position which is intended to be occupied on less than a year-round basis for reasons including, but not limited to, the following: to cover seasonal peak workloads, emergency extra workloads of limited duration, necessary vacation relief, paid sick leave, and other situations involving a fluctuating staff.
- j) **FULL-TIME EMPLOYEE** shall mean an administrative employee in a position with a normal workweek that totals at least 40 hours.
- k) **INTERN POSITION** shall mean an extra-help position that is occupied by a college intern or a student intern and will provide assistance to departments by performing a variety of duties.
- l) **INTRODUCTORY PERIOD** shall mean a trial period of time during which a newly hired, promoted, or transferred full-time or part-time employee serves to demonstrate his/her ability to perform satisfactorily in the position.
- m) **NON-EXEMPT EMPLOYEE** shall mean an employee in a position that is covered under the provisions of the Fair Labor Standards Act regarding minimum wage, overtime, maximum hours, and record keeping.
- n) **PART-TIME EMPLOYEE** shall mean an administrative employee in a position with a normal workweek that totals at least 20 hours but not more than 36 hours.
- o) **POSITION** shall refer to full-time and part-time positions in the Board-approved fiscal year budget.

**PERSONNEL AND SALARY RESOLUTION
FOR ALL OCTA ADMINISTRATIVE EMPLOYEES**

- p) **PROMOTION** shall mean movement of an employee from one position to a different position in a higher salary grade.
- q) **STUDENT INTERN** shall mean an extra-help employee who fills an intern position. The intern must be a high school student, engaged in a work-study program sponsored by the high school.
- r) **RECLASSIFICATION** shall mean that the salary grade of a particular classification or position is adjusted, either higher or lower as a result of an evaluation process.
- s) **REHIRE** shall mean to employ someone who previously terminated his/her employment with the Authority (normally following a voluntary resignation) without restoring prior service.
- t) **REINSTATE** shall mean to return a previously terminated employee to active employment with the Authority and to restore prior service and benefit eligibility, with no formal break in service. Vacation, sick, and holiday hours for which the employee was paid at the time of termination are not restored. (This action is unrelated to retirement service credit.)
- u) **SALARY RANGE** refers to the minimum and maximum of the salary grade for a particular classification or group of classifications. It is based upon the scope and responsibility of work performed in comparison with other work performed within the Authority and in comparison with the competitive labor market.
- v) **TEMPORARY CONTRACT EMPLOYEE** shall mean an extra-help employee hired on a temporary basis for a period up to one year who does not fill a position. The terms and conditions of employment are agreed to in writing by both parties. The agreement may be renewed upon expiration.
- w) **TRANSFER** shall mean movement of an employee from one position to a different position in the same salary grade.

Section 4. Human Resources Policies, Rules, and Procedures

The Chief Executive Officer shall make the final determination on the interpretation of Authority Human Resources policies as established by the Board and shall be authorized to establish and maintain Human Resources rules and procedures that are consistent with those policies.

Exceptions to the Personnel and Salary Resolution may be authorized in writing by the Chief Executive Officer. This exception authority may not be delegated.

**PERSONNEL AND SALARY RESOLUTION
FOR ALL OCTA ADMINISTRATIVE EMPLOYEES**

Section 5. Applicability of Human Resources Policies, Rules, and Procedures

The provisions of the Human Resources Policies, Rules, and Procedures shall apply to all administrative employees except when they are modified by the provisions of a contract of employment.

Any employee of the Authority is authorized to perform work for the Orange County Transit District, the Orange County Service Authority for Freeway Emergencies, the Consolidated Transportation Service Agency, the Orange County Local Transportation Authority, and/or any other entity governed by the Orange County Transportation Authority Board of Directors as directed by the Appointing Authority.

The provisions of this Personnel and Salary Resolution shall apply equally to all administrative employees of the Orange County Transit District, the Orange County Service Authority for Freeway Emergencies, the Consolidated Transportation Service Agency, the Orange County Local Transportation Authority, and/or any other entity governed by the Orange County Transportation Authority Board of Directors, as directed by the Appointing Authority except when they are modified by the provisions of a contract of employment.

Section 6. Selection of Employees

The Chief Executive Officer is the Appointing Authority for all positions except those reporting directly to the Board and shall be responsible for the selection and termination of all employees in all positions except those reporting directly to the Board. The Chief Executive Officer is authorized to approve revisions in classification titles and grades, provided that in no event shall upgrades be effective without Board approval and provided that any such changes are in accordance with the established Authority Policies, Rules, and Procedures, and the Board-adopted fiscal year budget.

Section 7. Introductory Period

All full-time and part-time employees shall have an introductory period of 26 weeks. An employee who is promoted, transferred, or reinstated may be required to complete an introductory period for the new position. The introductory period shall be computed from the beginning of the pay period in which the employee was hired or promoted. Introductory status, because of promotion or transfer, does not break an employee's continuous service. The introductory period may be extended, in writing, at the discretion of the Appointing Authority.

During the introductory period, the employee may be terminated, suspended, or demoted at any time for any reason without right of appeal or hearing.

**PERSONNEL AND SALARY RESOLUTION
FOR ALL OCTA ADMINISTRATIVE EMPLOYEES**

Section 8. Intern Employees

A person employed in an intern position shall be considered an employee in a special extra-help classification and will be compensated at hourly rates to be determined by the Appointing Authority. An intern is not eligible for employee benefits paid by the Authority except as required by law.

Section 9. Performance Planning and Review Program

The Appointing Authority shall be responsible for developing and administering a formal performance planning and review program for all full-time and part-time administrative employees.

Section 10. Outside Employment/Activity

An administrative employee shall not engage in outside employment or other outside activity incompatible with the full and proper discharge of the duties and responsibilities of his/her Authority employment. Before accepting any outside employment, an employee shall obtain written permission from the Appointing Authority.

Section 11. Reassignment, Dismissal, Reduction in Pay, Suspension

The employment of each Authority employee whose employment is governed by the provisions of this Personnel and Salary Resolution is at will. The Appointing Authority shall have the right to reassign, dismiss, reduce in pay, or suspend without pay any employee, at any time, for any reason, when the Appointing Authority determines that the conduct of the employee under his/her direction warrants such action. Notice of such action must be in writing to the employee.

Section 12. Elimination of Positions

Whenever it becomes necessary in the judgment of the Board of Directors, usually upon recommendation of the Appointing Authority, the Board may eliminate any position. An employee who is transferred, reassigned, or laid off because of the elimination of a position shall not have the right of appeal in such a case; however, an employee who is laid off may be placed in another position for which he/she is qualified, provided an opening exists.

Section 13. Layoff

The Appointing Authority shall have the authority to lay off full-time and part-time employees for lack of funds or lack of work. An employee recalled within six months shall be reinstated to the same position if the position is available.

**PERSONNEL AND SALARY RESOLUTION
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An employee reinstated to the same or a different position within six months following the date of layoff shall retain all of his/her most recently held continuous service for the purpose of earning benefits.

An employee placed on layoff may be granted paid health insurance in accordance with the following schedule:

<u>Years of Service</u>	<u>Number of Months</u>
Less than 3	1 month
3 but less than 5	2 months
5 but less than 10	3 months
10 or more	4 months

Section 14. Severance Pay

The Chief Executive Officer may authorize the payment of severance pay to full-time and part-time employees in accordance with the following schedule:

<u>Years of Service</u>	<u>Amount of Pay</u>
Less than 3	2 weeks
3 but less than 5	3 weeks
5 but less than 10	4 weeks
10 or more	5 weeks

The provisions of this section shall not apply to any employee terminated for gross misconduct.

Section 15. Grievance and Hearing Procedures

The Appointing Authority shall establish and be responsible for the maintenance of grievance and hearing procedures for use by administrative employees.

Section 16. Workweek and Overtime

Except as otherwise provided by the Appointing Authority, the regular work period for a full-time Authority employee shall normally be 40 hours per week.

Authorized work performed in excess of 8 hours per day or in excess of 40 hours per workweek by a non-exempt employee shall be considered overtime. This definition shall not apply to a non-exempt employee who regularly works a 9/80 work schedule, or who regularly works any other work schedule totaling 40 hours per workweek. For a non-exempt employee on such an alternative work schedule, authorized work performed in excess of the regularly scheduled hours per day or in excess of 40 hours per week shall be considered overtime. For purposes of calculating overtime compensation, paid holidays not worked, and pre-approved vacation not worked shall be treated as authorized work performed. If a designated holiday occurs on a regularly

**PERSONNEL AND SALARY RESOLUTION
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scheduled day off, these hours are not considered hours worked. Overtime must be authorized prior to performance of such work.

A non-exempt employee shall be paid 1-1/2 times his/her regular rate for all time worked in excess of his/her regularly scheduled hours in a work day or in excess of forty (40) hours in a work week. Hours worked on a regularly scheduled day off, less any sick hours taken during the work week, will be paid at 1-1/2 times the employee's regular rate of pay.

In no case may a non-exempt employee's work schedule be changed when the purpose of such change is to avoid compensating the employee at 1-1/2 times his/her regular rate for work performed in excess of his/her regular work schedule.

If, in the judgment of the Appointing Authority, work beyond the normal workday, workweek, or work period is required, such work may be ordered.

A non-exempt employee who is required to work on a designated holiday shall be paid 1-1/2 times his/her regular rate for authorized work performed, in addition to regular holiday pay.

An exempt employee is not eligible for overtime payment or any additional compensation for time worked in excess of 8 hours per day or 40 hours per workweek.

Sick leave and vacation accruals, as well as retirement service credits, accrue on paid hours worked excluding overtime.

Section 17. Alternative Workweek Schedules

The Appointing Authority shall have the authority to designate flexible starting, ending, and core times for the performance of work during the standard work day consistent with the Authority policy regarding "Workweek and Overtime". The Appointing Authority shall also have the authority to designate alternative workweek schedules, such as 4/10's or 9/80's, provided the administration of such schedules is consistent with any applicable state and federal laws.

The Appointing Authority may establish necessary guidelines to administer alternative workweek schedules at the department and work unit level.

Section 18. Health, Life, and Disability Insurance Benefits

The Appointing Authority shall establish and be responsible for a health (medical, dental, and vision), life (life and accident), and disability insurance program for the Board and all full-time and part-time employees at a cost not to exceed the amount established by the Board in the annual budget. Disability insurance may include short-term disability and/or long-term disability benefits.

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The Authority shall pay full-time employees' health, life, and disability insurance premiums after the first month of employment at a cost based on the difference between the total plan premium and the OCTA contribution rates approved by the Board of Directors. Employees hired prior to June 27, 2004, shall have the entire cost of employee and dependent premiums paid beginning the pay period following the completion of seven years of service.

For Board members whose term of office commenced prior to June 27, 2005: the Board members and their dependents shall have the entire cost of their premiums paid by the Authority. For Board members whose term of office, or new term of office, commenced after June 26, 2005: the Board members shall have the same premium cost as full-time employees and shall receive the same benefits as full-time employees, which may change to reflect the current programs offered.

After the first month of employment, the Authority shall contribute 50% of the premium cost for health, life, and disability insurance for an employee hired into a part-time position, and their dependents, provided such part-time employee applies for such insurance coverage.

All full-time or part-time employees terminating employment may have continuing health (medical, dental, and vision) insurance pursuant to the governing provisions of the program in which they are enrolled. The employee will be required to pay the premium for the coverage selected in accordance with the provisions of COBRA, except as provided in Section 13.

Life insurance will be provided by the Authority to full-time and part-time employees according to the following schedule:

- a) Two times the annual salary for each full-time and part-time employee.
- b) \$50,000 coverage for each Board member.

Supplemental life insurance and elder care options may be provided by the Authority for employees and/or their dependents to be paid for by the employee through payroll deduction.

Section 19. Retirement

All full-time and part-time employees of the Authority shall participate in the Orange County Employees Retirement System (OCERS) and shall be governed by its rules and regulations.

An employee who retires from the Authority after January 1, 1995, and who (1) receives retirement benefits under OCERS, and (2) meets the eligibility criteria may be eligible for a supplemental retirement benefit. The Appointing Authority shall be responsible for

**PERSONNEL AND SALARY RESOLUTION
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developing, administering, and maintaining the program. This program may be discontinued or modified at the discretion of the Chief Executive Officer.

The Authority shall pay all of the employee contribution for full-time and part-time administrative employees.

Exceptions to the above policy resulting from the consolidation of the Orange County Transit District and the Orange County Transportation Commission are addressed in Section 40 of this Personnel and Salary Resolution.

Section 20. Holidays

The Authority shall observe 11 paid holidays consisting of designated holidays and personal paid holidays as determined by the Chief Executive Officer. Personal paid holidays are taken at an employee's discretion following supervisory approval. When a holiday falls on a Saturday, the previous day shall be observed as the holiday, and when a holiday falls on a Sunday, the next day shall be observed as the holiday, unless otherwise designated by the Chief Executive Officer.

When a holiday falls on an employee's scheduled day off, either the previous working day or the next scheduled working day shall be observed by the employee as the holiday.

A full-time, exempt employee shall receive holiday pay for each of the above holidays and will be paid based on his/her normally scheduled workday.

A full-time, non-exempt employee shall receive 88 hours of holiday pay at his/her regular rate during the calendar year.

All part-time employees shall receive holiday pay for each holiday at his/her regular rate on a pro-rated basis.

A full-time or part-time non-exempt employee who is required to work on a holiday will be paid at 1-1/2 times his/her regular hourly rate for all hours worked in addition to pay for his/her regularly-scheduled workday. An exempt employee will receive no premium pay for work on a scheduled Authority holiday.

An employee will be paid for any unused Personal Paid Holidays for the current calendar year in the event of termination or retirement. A maximum of two Personal Paid Holidays not taken in one calendar year may be carried forward to the following calendar year.

Section 21. Vacation

The Authority shall provide vacation leave with pay for full-time and part-time employees.

**PERSONNEL AND SALARY RESOLUTION
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Vacation leave earned shall be applied to the employee's vacation accumulation account only upon completion of each pay period except when an employee terminates. Upon termination, all unused vacation hours earned and accrued through the employee's termination date will be paid.

An employee shall earn .0385 hours of vacation for each regular hour of pay in a regularly scheduled workweek (subject to a maximum of 80 hours per year until the completion of 2 years of service).

At the beginning of 3 years of service the employee shall earn .0577 hours of vacation for each regular hour of pay in a regularly scheduled workweek (subject to a maximum of 120 hours per year).

At the beginning of 10 years of service the employee shall earn .0770 hours of vacation for each regular hour of pay in a regularly scheduled workweek (subject to a maximum of 160 hours per year).

At the beginning of 15 years of service, the employee shall earn .0808 hours of vacation for each regular hour of pay in a regularly scheduled workweek.

At the beginning of 16 years of service, the employee shall earn .0847 hours of vacation for each regular hour of pay in a regularly scheduled workweek.

At the beginning of 17 years of service, the employee shall earn .0885 hours of vacation for each regular hour of pay in a regularly scheduled workweek.

At the beginning of 18 years of service the employee shall earn .0924 hours of vacation for each regular hour of pay in a regularly scheduled workweek.

At the beginning of 19 years of service the employee shall earn .0962 hours of vacation for each regular hour of pay in a regularly scheduled workweek (subject to a maximum of 200 hours per year).

Maximum allowable vacation credit

The maximum allowable vacation credit at any one time for a full-time or part-time employee with less than 2 years of service shall be 160 hours.

The maximum allowable vacation credit at any one time for a full-time or part-time employee with 2 years but less than 3 years of service shall be 240 hours.

The maximum allowable vacation credit at any one time for a full-time or part-time employee with 3 years but less than 10 years of service shall be 300 hours.

The maximum allowable vacation credit at any one time for a full-time or part-time employee with 10 but less than 19 years of service shall be 390 hours.

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The maximum allowable vacation credit at any one time for a full-time or part-time employee with 19 or more years of service shall be 440 hours.

Employees will not accrue vacation hours in excess of these maximum amounts unless authorized by the Chief Executive Officer. The Chief Executive Officer is exempt from a maximum accrual.

Employee preference and length of service should govern in the scheduling of vacation time, and vacations will be scheduled consistent with efficient Authority operations.

Vacation Sell-Back

An employee shall have the option of receiving up to 120 hours of vacation pay each calendar year for accrued but unused vacation. An employee must use at least 40 hours of vacation during the previous 12 months before exercising the "sell-back" option. The "sell-back" option may be exercised twice in any given calendar year, but the total hours "sold-back" may not exceed 120 hours.

Under unusual circumstances involving verifiable emergencies, the Appointing Authority may authorize a cash value payment to an employee for an amount up to the total amount of accrued vacation.

An employee separating from the Authority shall be paid, in a lump sum payment, for all unused vacation earned and accrued through his/her termination date at his/her current rate of pay.

Section 22. Sick Leave

The Authority will provide a plan for full-time and part-time employees to earn paid sick leave.

During the first 3 years of employment, an employee shall earn .0347 hours of sick leave with pay for each paid hour in a regularly scheduled workweek (approximately 9 days per year). After a full-time or part-time employee has completed 3 years of service, sick leave shall be earned at the rate of .0462 hours of sick leave with pay for each paid hour in a regularly-scheduled workweek (approximately 12 days per year).

Sick leave will be paid consistent with an employee's regularly scheduled workday. Sick leave earned shall be added to the employee's sick leave accumulation account upon the completion of the pay period, with no credit to be applied during the progress of the pay period or for a fraction of the pay period during which an employee's service is terminated.

An employee who has accumulated sick leave in excess of 120 hours, as of the close of the first pay period ending in November, may choose to retain all unused accumulated sick leave and continue to accrue sick leave or to receive a single payment at his/her

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current rate of pay for the amount in excess of 120 hours. If the employee elects to receive payment, it shall be paid prior to December 31 of that year.

An employee who separates from the Authority with 10 years or more of continuous service who is in good standing with the Authority shall receive payment of any earned but unused sick leave up to a maximum of 160 hours.

Upon termination from the Authority due to layoff, all unused or unpaid sick leave will be paid to the affected employee.

Upon paid retirement from the Authority or death, an employee or the estate shall be paid for the employee's unused or unpaid sick leave to a maximum of 240 hours. This benefit does not apply to deferred retirement except as provided above.

An employee who is injured on the job, resulting in loss of time, shall be paid for the balance of the assignment on the day of injury at the regular rate of pay. The employee shall also be paid for the time lost during the waiting period (first 3 days following date of injury, for which no Workers' Compensation benefits are provided). This payment shall be at benefit rates provided under the Workers' Compensation Act. Payments under this section shall not be charged against the employee's accumulated sick leave. Vacation and sick leave accruals shall continue during this 3-day period and the employee shall be credited as if he/she had worked his/her regularly scheduled hours each day.

For group insurance purposes only, time lost due to an on-the-job injury will not be considered an unpaid leave of absence.

Catastrophic Leave Donations

An employee may transfer accrued sick leave in 8-hour increments, provided the balance of his/her sick leave following the transfer is 120 hours or more, as follows: transferred hours will be made available to an employee, as designated by the transferor, who has exhausted all paid sick and vacation time and has been on unpaid medical leave of absence.

Section 23. Leaves of Absence

Leaves of absence may be granted by the Appointing Authority to employees with or without pay. This policy will be interpreted and applied in accordance with all applicable state and federal laws. Employees may not engage in other employment while on a leave of absence without prior written approval of the Authority.

- a) FAMILY MEDICAL LEAVE OF ABSENCE: An employee with at least 12 months of service with the Authority and who has worked 1,250 hours in the preceding 12 months is eligible for up to 12 weeks of leave in a 12-month period under the

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Family/Medical Leave Act for the purposes of: (1) the birth of a child of the employee; (2) the placement of a child with the employee in connection with adoption or foster care by the employee; (3) to care for the employee's spouse, child, or parent with a serious health condition; or (4) the employee's own serious health condition that makes the employee unable to perform his/her job duties (excluding leave taken for pregnancy-related disabilities).

Medical certification from the attending physician will be required for a leave.

For leaves other than the employee's own serious illness, the employee will be required to use accrued vacation, and leave in excess of accrued vacation will be unpaid unless the employee desires to use accrued sick leave. Sick leave must be used for the employee's own medical leave, and leave in excess of accrued sick leave will be unpaid unless the employee desires to use accrued vacation. Upon return to work, the employee will be entitled to his/her same position or a comparable position. If applicable, Workers' Compensation will run concurrent with family medical leave.

The Authority will continue to maintain and pay for the employee's group health coverage for the twelve-week period. If a leave exceeds the allowed 12 weeks, the Authority does not guarantee the employee's classification or employment.

In addition to Family/Medical Leave Act absences, an employee who is absent due to Pregnancy Disability Leave as described in section b) below may be entitled to a leave of absence under the California Family Rights Act.

- b) PREGNANCY DISABILITY LEAVE: A pregnant employee is entitled to a leave only for the period of actual medical disability attributable to pregnancy, childbirth, or related medical conditions up to a maximum of 4 months. The employee may use accrued vacation or other accrued paid leave. Any leave in excess of accrued hours will be unpaid. An employee may integrate State Disability Insurance (SDI) benefits.
- c) PERSONAL LEAVE OF ABSENCE: When requested, the Appointing Authority may grant a personal leave of absence without pay for an initial period of 30-calendar days and extensions may be granted to a maximum of 6 months from the beginning date of the leave. A personal leave of absence may be effective, if granted, only after all vacation benefits are exhausted.

If the personal leave of absence extends for 30-calendar days or less, the employee will be returned to the original classification. If the personal leave of absence exists for more than 30-calendar days, the Authority will not guarantee the employee's classification or employment with the Authority, but will attempt to reinstate the employee to a like or similar classification. The employee will have continuing life insurance, medical, dental, and vision benefits for 30-calendar days following the date on which the leave of absence begins. During this

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period, the Authority shall continue to provide the cost of the employee coverage and the same contribution for applicable dependent premiums at the then current rate.

After this period, the employee will be required to remit in advance each month the monthly cost of the group insurance premiums incurred during the remainder of the leave of absence if wishing to continue group insurance. Non-receipt of premium reimbursements will result in the termination of the employee's insurance.

- d) **MILITARY LEAVE**: An employee on mandatory leave of absence for training or service with US military forces will receive differential pay up to a total amount equivalent to regular pay. In instances where training or service with US military forces is not mandatory and is not covered by state or federal law, the leave of absence will be unpaid.
- e) **BEREAVEMENT LEAVE**: A full-time or part-time employee shall be granted paid bereavement leave for time actually lost, up to 3 regularly-scheduled work days, to arrange for and/or attend the funeral of an immediate family member. Immediate family member shall include spouse, parent, child, brother, sister, father- or mother-in-law, son- or daughter-in-law, stepchild, stepparent, stepbrother, stepsister, grandparent, or grandchild. Bereavement leave shall be granted for each occurrence.

This paid bereavement leave shall not be chargeable to sick leave or vacation. The Appointing Authority shall authorize such absence from work.

An eligible employee who attends the funeral of an immediate family member outside a 350-mile radius from administrative offices of the Authority shall be granted up to 5 days paid bereavement leave.

Additional leave, if required, to make arrangements and/or attend the funeral of an immediate family member may be approved by the Appointing Authority and will be charged against earned sick leave or accrued vacation hours.

- f) **GENERAL**: All paid time-off benefits will accrue during a leave of absence for only the period during which the employee is paid. An employee on unpaid leave of absence shall not earn any service credits. An employee who returns to work from a leave of absence shall retain all accumulated service credits. Service credit for retirement benefits will be based on the specifications of the retirement system.

Unauthorized absence in excess of 3 working days may result in disciplinary action including termination of the employee without the right of appeal or hearing.

**PERSONNEL AND SALARY RESOLUTION
FOR ALL OCTA ADMINISTRATIVE EMPLOYEES**

Section 24. Jury Duty

A full-time or part-time employee who is called for jury duty or for examination for jury duty will receive compensation at his/her regular rate of pay for those days that coincide with the employee's regularly-scheduled work days.

Section 25. Education Expense Reimbursement

The Authority shall provide an Educational Expense Reimbursement Program to reimburse a non-introductory full-time employee for reasonable educational expenses for work-related courses. The Appointing Authority shall be responsible for developing, administering, and maintaining the program.

A full-time employee will be reimbursed for eligible expenses associated with work-related courses in pre-approved certificate programs, system specific computer software training, English as a Second Language (ESL) classes, Spanish, and other specific work-related languages, as approved.

A full-time employee who satisfactorily completes a work-related course at an accredited high school, trade school, junior college, college, or university will be reimbursed in full for eligible expenses up to a maximum of \$2,000 per fiscal year. If an employee terminates employment, or gives notice of termination prior to completion of the course, no reimbursement will be made.

Section 26. Automobile Allowance and Assignment of Automobiles

The Authority may elect either to provide an automobile and all related expenses on a permanently assigned basis or to provide a monthly automobile allowance to the following: executive employees; Department Manager, Toll Road and Motorist Services; and Chief Engineer. The monthly allowance shall be in lieu of any other compensation or reimbursement for expenses incurred in the use of his/her personal automobile in the performance of his/her duties. The automobile allowance shall be in the same amount as is provided to the County of Orange managers at the department head or agency head level as determined by the Orange County Board of Supervisors.

The Authority may provide an automobile and all of the related expenses on a permanently assigned basis for each employee in the following positions: Base Manager, Bus Operations; Base Manager, Maintenance; Department Manager, Bus Operations; Department Manager, Maintenance; and Department Manager, Security Assessment. The automobile assigned to an employee may be used by other employees during regular working hours.

When needed, the Appointing Authority shall be authorized to assign an automobile on a 24-hour (overnight) basis to an employee as required to conduct the business of the Authority.

**PERSONNEL AND SALARY RESOLUTION
FOR ALL OCTA ADMINISTRATIVE EMPLOYEES**

Section 27. Mileage Reimbursement

An employee shall be reimbursed for use of his/her private automobile for official business of the Authority at the rate established by the Internal Revenue Service.

The Authority shall also reimburse each member of committees approved by the Board for use of his/her private automobile for official business of the Authority at the rate established by the Internal Revenue Service.

The Appointing Authority shall determine what constitutes official Authority business, which would require use of an employee's private automobile. Local travel for mileage reimbursement purposes shall include travel in Los Angeles, Orange, San Bernardino, Riverside, and San Diego counties.

Section 28. Medical Examinations

The Authority shall require employer-paid annual medical examinations for executive employees, department managers, and may provide employer-paid examinations for members of the Board of Directors.

Section 29. Employee Use of Transportation System

The Appointing Authority has established rules and procedures regarding an active or retired employee and his/her dependents' free transportation on the Authority's transportation services. The spouse of a deceased employee is also to be provided with free transportation on the Authority's Fixed Route bus services.

Section 30. Employee Recreation Program

The Appointing Authority will be responsible for monitoring the employee recreation program, which is administered by the Finance, Administration, and Human Resources Division.

Section 31. Uniforms and Safety Shoes

The Authority shall provide uniforms or reimbursement for the purchase of uniforms for an employee who is required to wear a uniform on the job. Uniform purchases must comply with the guidelines established by the Operations Division. Reimbursement will be made upon presentation of proof of purchase and will be made to cover the initial cost of purchase and annually in August thereafter.

An employee with the classification title of Field Supervisor or Coach Operations Instructor shall receive reimbursement of up to \$300 for the initial purchase of the Authority-required uniforms. The purchase of street clothes does not qualify for reimbursement. Thereafter, in August, an employee in either of these classification titles shall receive reimbursement for an annual amount of up to \$200 to provide for the

**PERSONNEL AND SALARY RESOLUTION
FOR ALL OCTA ADMINISTRATIVE EMPLOYEES**

replacement of worn uniform items. Uniform items damaged while on-duty, which are beyond reasonable repair, will be replaced at Authority expense. An employee commencing employment in one of these classifications after May 1 of any year is not eligible for the \$200 annual amount until the following year.

The Section Supervisors of Inventory Control, Facility Maintenance, Maintenance Supervisors, and employees working in Right-of-Way will be eligible for reimbursement of the cost of a pair of approved, steel-toed safety shoes. Upon presentation of proof of purchase, an employee shall be reimbursed for the cost of the safety shoes up to a maximum of \$100 per year.

Section 32. Computer Purchase Reimbursement Program

The Authority may reimburse a non-introductory employee or member of the Board of Directors for 50% of actual expenditures for the cost of a personal computer, compatible software, maintenance contracts, repairs, and related equipment or supplies. Such expenditures must meet OCTA compatibility standards in order to be eligible for the 50% reimbursement. An employee may not receive more than \$500 during any 12-month period.

Non-IBM equipment and/or software that does not meet OCTA compatibility standards may be approved on an exception basis only, and the decision will be based on the actual equipment being utilized in the office.

The first reimbursement payment will be made upon submission and approval of appropriate documentation. Subsequent payments will be made upon request on the anniversary date of the original payment to the employee.

To be eligible for this benefit, the employee must utilize a personal computer in his/her current position with the Authority. Computer purchase reimbursement shall be limited to an employee who is authorized to telecommute on a regular or periodic basis, or who is expected to perform work at home. The Appointing Authority shall have final decision-making authority on job-relatedness.

If an individual terminates employment with the Authority or gives notice of termination from the Authority for any reason, no reimbursement or further reimbursement will be made.

Section 33. Professional Licenses/Certificates

The Authority shall pay for any work-related professional licenses, certificates, or renewal fees as approved by the Appointing Authority.

**PERSONNEL AND SALARY RESOLUTION
FOR ALL OCTA ADMINISTRATIVE EMPLOYEES**

Section 34. Compensation

The Authority shall maintain a compensation plan for full-time and part-time employees as stated in the Salary Resolution and Salary Structure.

Salary ranges, rates, and employee benefits are to be reviewed and considered for adjustment, at least annually. This permits the Authority to assess periodically the competitiveness of the compensation plan and make necessary adjustments to reflect changes in internal equity and labor market conditions.

Section 35. Deferred Compensation

The Authority may provide all members of the Board of Directors, and all full-time, part-time, and extra-help employees, including those covered by a collective bargaining agreement, with a deferred compensation program. The Appointing Authority shall be responsible for the establishment and administration of this program, utilizing the services of an outside administrator. This service shall be provided at no cost to the Authority.

Enrollment in this program will be offered to employees on a voluntary basis, unless mandated by state or federal law. Employee contributions to the program will be made by payroll deduction. The Chief Executive Officer may authorize the Authority to pay all or part of the employee contributions for designated employees.

Section 36. Recognition and Award Program

The Appointing Authority may establish and maintain an employee service award, a "Roadeo", and employee appreciation programs to provide recognition to employees for continuous service, safety, and commitment to public transportation.

Section 37. Out-of-Pocket Expenses

The Authority shall reimburse its employees, the Board of Directors, and members of committees approved by the Board, for out-of-pocket expenses as provided in the policy regarding travel and conference expenses, incurred while in the conduct of official business for the Authority.

Section 38. Childcare of Ill Children

The Authority shall reimburse an eligible employee the cost to care for an ill child or children up to \$50 per day, but not to exceed \$250 total per calendar year per employee. Childcare must be provided by a state-licensed childcare facility or a state-licensed nurse.

**PERSONNEL AND SALARY RESOLUTION
FOR ALL OCTA ADMINISTRATIVE EMPLOYEES**

Section 39. Reimbursement of Relocation Expenses

The Authority may provide relocation assistance under the following circumstances:

- a) When a new employee's permanent residence is outside a radius of 100 miles from the administrative offices of the Authority and outside the counties of Orange, Riverside, Los Angeles, and San Bernardino, and
- b) When the position is one of the following: (i) executive management, (ii) department manager, or (iii) requires an individual with a set of skills, experiences, and training which are in limited supply and high demand.

Approval of the Chief Executive Officer and the Executive Director of Finance, Administration and Human Resources is required. The maximum reimbursement is \$35,000. The Chief Executive Officer will inform the Finance and Administration Committee if the reimbursement for the relocation expenses exceeds \$20,000.

Section 40. Grandfathered Benefits

The following exceptions to policy as otherwise outlined in this Personnel and Salary Resolution result from the consolidation of the Orange County Transit District and the Orange County Transportation Commission.

The following benefits apply only to those employees who were employees of the Orange County Transportation Commission, on the payroll of the Orange County Transportation Commission, as of June 19, 1991.

- a) RETIREMENT: An employee covered under this section may continue to participate in the Public Employee's Retirement System and shall be governed by its rules and regulations.

The Authority shall pay all of the normal contributions for such employees in addition to the employer's contribution.

- b) ADMINISTRATIVE LEAVE: Each non-exempt employee covered under this section shall be entitled to 16 hours of paid Administrative Leave per fiscal year. Each exempt employee covered under this section shall be entitled to 32 hours of paid Administrative Leave per fiscal year. Approval shall be by the Appointing Authority. Any unused Administrative Leave for the current fiscal year will be paid to the employee in the event of termination or retirement. The maximum accrual amount for non-exempt employees will be 24 hours. The maximum accrual amount for exempt employees will be 48 hours.



PERSONNEL AND SALARY RESOLUTION FOR ALL ADMINISTRATIVE EMPLOYEES

SALARY RESOLUTION

PHILOSOPHY AND PURPOSE

Recognizing that people are the Authority's most important resource, it is the intention of the Authority to develop and maintain compensation programs whereby its people are paid a total wage (salary and benefits combined) commensurate with their qualifications, performance, and responsibilities.

Section 1. Purpose

a) The purpose of the Salary Resolution is to:

- 1) Attract and retain a work force dedicated to excellence, thereby ensuring the Authority's ability to meet the present and future business objectives of the organization.
- 2) Maintain a salary program, which will give maximum incentive to real accomplishments and compensate individuals on the basis of merit without discrimination, while providing necessary administrative control of salary costs.
- 3) Provide salary structures, which are internally equitable and externally competitive.

b) The Salary Structure is designed to provide:

- 1) Salary grade ranges for classifications based upon the scope and level of responsibility of work performed in comparison to other work performed within the Authority and in comparison to the external market.
- 2) Salaries paid to employees that reflect the level of responsibilities of the classification and the performance of the individual.

**PERSONNEL AND SALARY RESOLUTION
FOR ALL OCTA ADMINISTRATIVE EMPLOYEES**

Section 2. Administration

- a) The Appointing Authority is responsible for the establishment of definitive guidelines for adjusting individual salaries and salary ranges. The development and administration of these guidelines may be delegated to appropriate staff.
- b) Within guidelines established by the Appointing Authority, compensation adjustments may be given (1) as an increase to base pay, (2) in a lump sum payment, and/or (3) as deferred compensation. The Appointing Authority shall be authorized to adjust an incumbent's salary. The salary of each Executive Employee shall be determined by the Chief Executive Officer.
- c) All Full-time and Part-time Employees
 - 1) An employee may be hired or promoted into a position at any salary within the range for the classification; such salary is to be determined based on individual qualifications. Approval by the Appointing Authority is required for starting salaries at or above the midpoint of the range for external hires.
 - 2) A new employee shall complete an introductory period. At the end of the introductory period, the employee's performance will be evaluated and the employee will be eligible for a merit increase based on the employee's performance level during the introductory period.
 - 3) Following the completion of the introductory period, subsequent performance reviews shall be conducted annually and merit increases may be authorized at that time.
- d) Salary Increases
 - 1) An employee is eligible for a merit increase based on his/her performance evaluation rating at the time of his/her annual review unless the rating is unsatisfactory.
 - 2) For fiscal year 2007, the total dollar amount of all salary increases granted pursuant to the provisions above shall not exceed 4.0% of the total budgeted salaries for Administrative positions authorized by the Board of Directors.

Individual merit increases may vary in size depending on performance. Dollars unspent in this budget may be used to supplement the special performance award budget for the same fiscal year.

Authorized positions, which are unfilled on the last Sunday of the previous fiscal year, shall be considered at 90% of the midpoint of the appropriate salary range for the purpose of calculating the total dollar amount of all salary increases.

**PERSONNEL AND SALARY RESOLUTION
FOR ALL OCTA ADMINISTRATIVE EMPLOYEES**

- 3) If an employee's salary is below the midpoint of the salary grade range for his/her classification, the employee may be considered for an interim review and salary increase of up to 3.0% or to the midpoint of the range, whichever is less. This shall apply to employees in salary grades A through U only.
- 4) An employee's performance may be reviewed at any time during the year as appropriate, but his/her salary may not be adjusted other than as provided in this Personnel and Salary Resolution.
- 5) An employee who has taken approved time off without pay in excess of 30 days during the review period may have his/her review date extended by a period of time up to the amount of time that the employee was on approved leave.

e) Special Performance Awards

- 1) The Appointing Authority may authorize special awards for full-time and part-time employees based on individual employee performance. Each award shall be a single lump sum payment and will not increase an individual's base salary.
- 2) For the fiscal year 2007, the total dollar amount of all special awards granted pursuant to the provisions above shall not exceed 3.0% of the total budgeted salaries for positions authorized by the Board of Directors.

Authorized positions, which are unfilled on the last Sunday of the previous fiscal year, shall be considered at 90% of the midpoint of the appropriate salary range for the purpose of calculating the total dollar amount of all special performance awards.

f) Reclassifications

- 1) When an employee is assigned to a classification with a lower salary range, or when the employee's position is reclassified to a lower salary range, (a) the employee's salary may be to the maximum of the new range, or (b) with the approval of the Appointing Authority, the employee may retain his or her salary paid prior to the new assignment.
- 2) Any employee promoted from one defined position and to a different position at a higher salary grade shall be brought at least to the minimum of the salary range for the different position. The promoted employee may serve an introductory period of 26 weeks. At the end of the introductory period, the employee's performance will be evaluated and a salary increase may be authorized.

**PERSONNEL AND SALARY RESOLUTION
FOR ALL OCTA ADMINISTRATIVE EMPLOYEES**

g) Temporary Assignments

When an employee is assigned duties of a different classification with the same or higher salary grade, the employee's salary may be increased by an amount not to exceed 5.0%. Such increase may be made only in those instances where the assignment will last at least 30 days and shall not, in any event, be paid for a period in excess of 180 days, without written authorization by the Chief Executive Officer.

h) Salary Structure

The salary structure on the following pages shall be effective June 25, 2006.

- 1) If any employee is earning less than the entry, or minimum of the new salary grade established for his or her classification, then that employee's salary shall be raised to the new entry or minimum salary of the new salary grade effective June 25, 2006.
- 2) In the event that a position has been re-evaluated and reclassified into a higher salary grade, the incumbent employee(s) shall not automatically receive a salary increase unless his/her salary falls below the new range minimum, nor shall such employee be placed into a new introductory period status.
- 3) If any employee's salary is at or exceeds the maximum of the salary range for his/her classification, no additional salary increases to base pay may be granted without the approval of the Appointing Authority.

Fiscal Year 2006-07 Proposed Budget *Public Hearing*

Board of Directors Meeting

June 12, 2006



Accomplishments

- Recognized as the *Number One* transportation system in the nation by the American Public Transportation Association
- Garden Grove Freeway (SR-22) Improvement Project has reached day 629
- Completed the 2006 Comprehensive Business Plan (CBP)
- Implemented new health care coverage for administrative employees
- Recovered ridership losses due to January 2005 fare increase

Budget Process

Development, Analysis and Recommendations	January - March
Finance and Administration Committee Briefing	April 12
Executive Committee Briefing	May 1
Budget Workshop	May 8
Committee Presentations	May 10 - June 8
Public Hearing	June 12

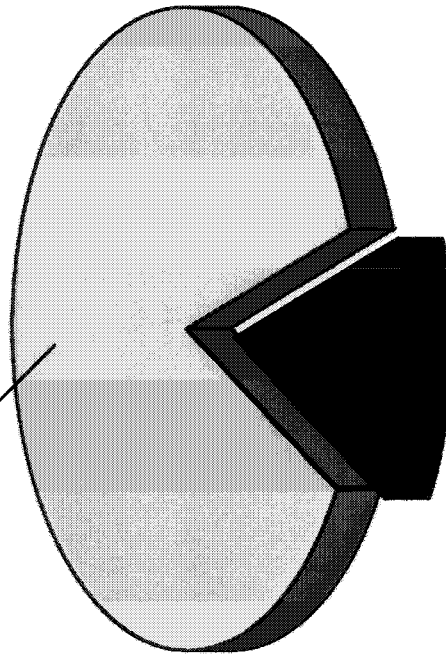
Budget Themes

- Budget is balanced
- Budget is in accordance with the 2006 CBP
- Cost containment strategies
 - ACCESS Growth Management Strategies
 - Review Workers' Compensation and Health Care strategies
- Capital projects are moving forward
- Expansion of Transit Services

Balanced Budget

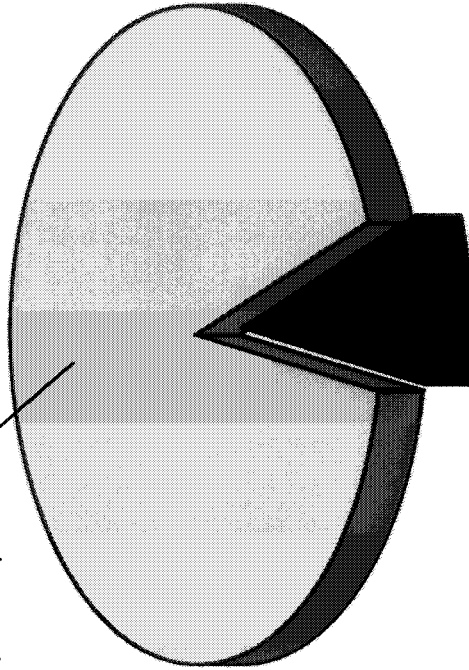
Source of Funds
\$844,529

Revenues
\$731,046



Use of Funds
\$844,529

Expenditures
\$773,409

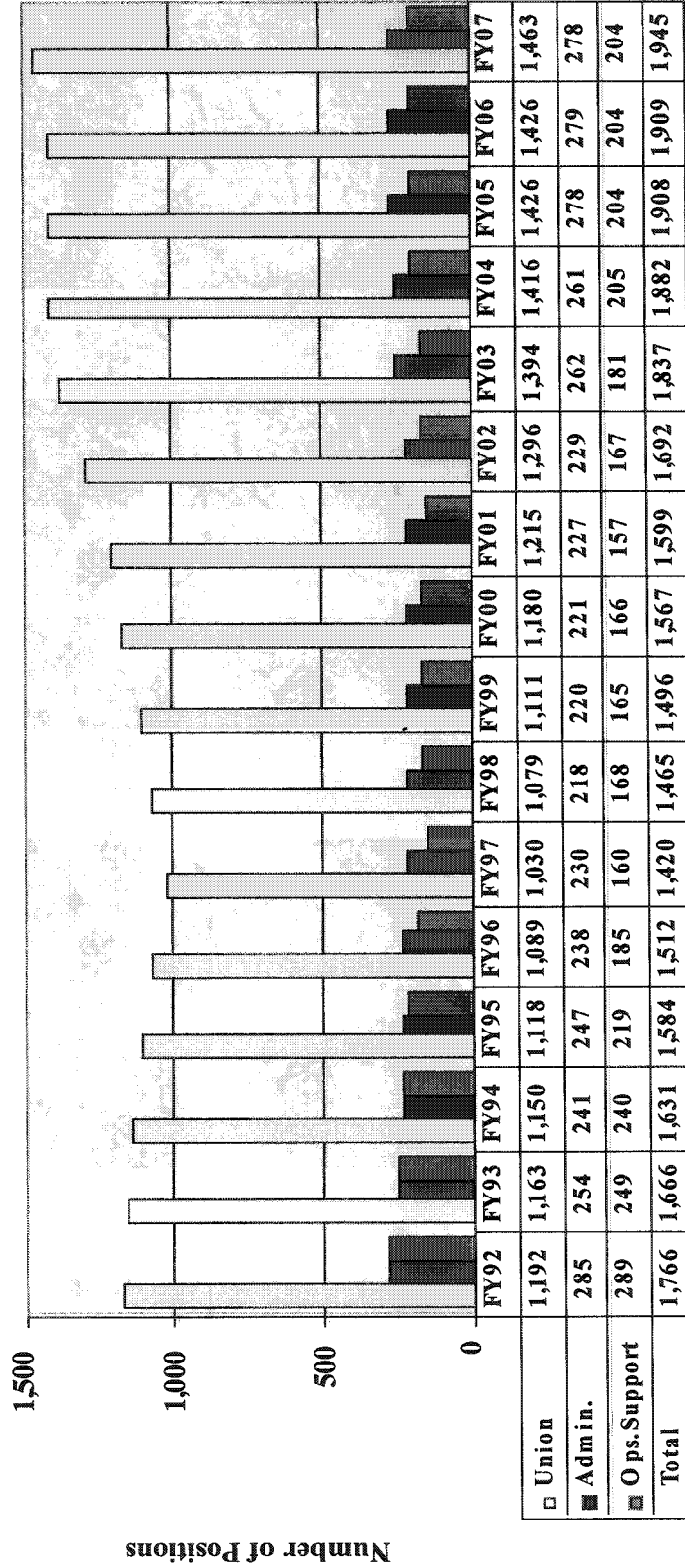


Designations
\$71,120

Major Initiatives

1. Streets and Roads	\$ 70,241
2. Metrolink Expansion	63,494
3. Bristol Street Widening	36,000
4. Santa Ana Freeway (I-5) Gateway Project	35,986
5. SR-22 Design Build Project	30,564
6. Bus Service Expansion	3,862

Staffing



Recommendations

- Conduct Public Hearing
- Approve Fiscal Year 2006-07 Budget
- Approve changes to Personnel and Salary Resolution
- Authorize the Purchasing Agent to execute the software and hardware licensing, maintenance and emergency support purchase orders and/or agreements
- Defer the scheduled increases in the charge for premium Door-to-Door ACCESS services by one calendar year

Next Steps

Conduct Public Hearing	June 12
Approve Fiscal Year 2006-07 Budget	Before July 1
Provide Quarterly Reports	On Going
Prepare 2007 CBP	Fall 2006

Minutes of the Meeting of the
Orange County Transportation Authority
Orange County Service Authority for Freeway Emergencies
Orange County Local Transportation Authority
Orange County Transit District
Board of Directors
May 22, 2006

Call to Order

The May 22, 2006, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order at 9:00 a.m. at the Orange County Transportation Authority Headquarters, Orange, California; Chairman Brown presided over the meeting.

Roll Call

Directors Present: Arthur C. Brown, Chairman
Carolyn Cavecche, Vice Chair
Peter Buffa
Bill Campbell
Lou Correa
Richard Dixon
Michael Duvall
Cathy Green
Gary Monahan
Chris Norby
Miguel Pulido
Susan Ritschel
Mark Rosen
James W. Silva
Thomas W. Wilson
Gregory T. Winterbottom
Jim Beil attended for Cindy Quon, Governor's Ex-Officio Member

Also Present: Arthur T. Leahy, Chief Executive Officer
Richard J. Bacigalupo, Deputy Chief Executive Officer
Wendy Knowles, Clerk of the Board
Laurena Weinert, Assistant Clerk of the Board
Kennard R. Smart, Jr., General Counsel
Members of the Press and the General Public

Directors Absent: Director Curt Pringle

Invocation

Vice Chair Cavecche gave the invocation.

Pledge of Allegiance

Director Duvall led the Board and audience in the Pledge of Allegiance to the Flag of the United States of America.

Public Comments on Agenda Items

Chairman Brown announced that members of the public who wished to address the Board of Directors regarding any item appearing on the agenda would be allowed to do so by completing a Speaker's Card and submitting it to the Clerk of the Board.

Special Matters

1. Special Recognition for Thirty Years of Safe Driving

Chairman Brown presented a check to Coach Operator Dennis Kimmel in recognition of his thirty years of continuous safe driving at OCTA.

2. Presentation of Resolutions of Appreciation for Employees of the Month for May 2006

Chairman Brown presented Orange County Transportation Authority Resolutions of Appreciation Nos. 2006-26, 2006-27, 2006-28 to Harry Marshall, Coach Operator; John Dicag, Maintenance; and William Dineen, Jr., Administration, as Employees of the Month for May 2006.

3. Sacramento Advocate Presentation

Chris Kahn, OCTA's Sacramento Advocate, provided an overview of legislative activities in the Capitol, detailing aspects of the Governor's May Revise and the infrastructure bond.

Mr. Kahn informed Members that Assembly Bill 2538 (Wolk), OCTA's sponsor legislation, moved to Appropriations Suspense file in the Assembly.

At Director Campbell's request, Mr. Kahn also provided additional information regarding the "spillover" of gas tax funds. He also assured the Board that Prop 42 funds are protected in the Governor's budget proposal.

Consent Calendar (Items 4 through 18)

Chairman Brown indicated that all matters on the Consent Calendar would be approved in one motion unless a Board Member or a member of the public requested separate action on a specific item.

Director Campbell pulled Item 7; Director Norby pulled Item 8; Vice Chair Cavecche pulled Item 16.

Orange County Transportation Authority Consent Calendar

4. Approval of Minutes

A motion was made by Director Wilson, seconded by Director Ritschel, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of May 8, 2006.

5. Approval of Resolutions of Appreciation for Employees of the Month for May 2006

A motion was made by Director Wilson, seconded by Director Ritschel, and declared passed by those present, to adopt Orange County Transportation Authority Resolutions of Appreciation Nos. 2006-26, 2006-27, and 2006-28 to Harry Marshall, Coach Operator, John Dicag, Maintenance, and William Dineen, Jr., Administration, as Employees of the Month for May 2006.

6. Approval of Resolution of Appreciation to the Transportation Corridor Agencies

A motion was made by Director Wilson, seconded by Director Ritschel, and declared passed by those present, to approve a resolution recognizing the 20-year anniversary of the Transportation Corridor Agencies and their contribution to Orange County's overall transportation system.

7. State Legislative Status Report

Director Campbell pulled this item and requested the language of what recommendations were passed by the Legislative and Government Affairs Committee, as one position differed from staff's original recommendation.

With that information provided, a motion was made by Director Campbell, seconded by Director Buffa, and declared passed by those present, to:

- A. Oppose any proposal to use existing transportation funds to repay General Fund obligations such as existing transportation loans or new transportation bonds.

7. (Continued)

B. Adopt the following position on legislation:

Seek amendment on AB 343 (Huff, R-Diamond Bar) to eliminate the statute covering spillover so that all funds flow to Proposition 42.

8. Review of the Santa Ana Base Construction Project, Contract Change Orders

Director Norby pulled this item for discussion and stated that in regard to oversight of change orders on construction contracts, he was questioning if staff would be accepting the Internal Auditor's recommendations.

Chief Executive Officer (CEO), Arthur T. Leahy, stated that in the process that staff follows, the Auditor has complete authority to make whatever recommendations are felt to be appropriate. At the same time, the manager is empowered to make a response to those recommendations.

Mr. Leahy stated that he met with the Auditor and Executive Director for construction projects, and each asserted that there was a common industry practice, and each argued that position. Based on that, Mr. Leahy asked for a survey and it was found that other local agencies in Orange and Los Angeles Counties do not do as the Auditor recommended, and it was not an industry practice. Therefore, the management response was that this oversight is not necessary.

Mr. Leahy noted that subsequent to the finalizing of this report, this has been discussed further with Internal Audit, and this practice will return to Finance and Administration Committee to develop a process for fully reporting unilateral change orders to the Committee. Director Wilson at this time expressed that he agreed this item should come back through that Committee, which he chairs.

Motion was made by Director Norby, seconded by Director Rosen, and declared passed by those present to return the Santa Ana Base Construction Audit, Review of Contract Change Orders for Contract C-3-0022 with Swinerton Builders from July 2004 through September 2005, Internal Audit Report No. 05-031, and to bring the issue of oversight of change orders back through the Finance and Administration Committee for review.

Director Winterbottom voted in opposition to this motion.

9. Audit Report on Third Quarter Parts Inventory Count

A motion was made by Director Wilson, seconded by Director Ritschel, and declared passed by those present, to receive and file the Third Quarter Parts Inventory Count, Internal Audit Report No. 06-028.

10. Agreement with California State University, Fullerton for the Center for Demographic Research for Fiscal Year 2006-07

A motion was made by Director Wilson, seconded by Director Ritschel, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute an agreement, in an amount not to exceed \$110,003, for fiscal year 2006-07 with the California State University, Fullerton for the Center for Demographic Research.

11. Approve the Fiscal Year 2006-07 Local Transportation Fund Claim for Public Transportation and Community Transit Services

A motion was made by Director Wilson, seconded by Director Ritschel, and declared passed by those present, to approve the Orange County Transit District Fiscal Year 2006-07 Local Transportation Fund Claim for public transportation services in the amount of \$97,105,558, and for community transit services, in the amount of \$5,168,243, for a total claim amount of \$102,273,801, and authorize the Chief Executive Officer to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the full amount of the claims.

12. Approval of the Fiscal Year 2006-07 Local Transportation Fund Claim for Laguna Beach Public Transportation Services

A motion was made by Director Wilson, seconded by Director Ritschel, and declared passed by those present, to approve the Laguna Beach Municipal Transit Lines Fiscal Year 2006-07 Local Transportation Fund Claim for public transportation services, in the amount of \$2,609,795, and authorize the Chief Executive Officer of the Orange County Transportation Authority to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the amount of the claim.

Orange County Transit District Consent Calendar

13. Laidlaw Transit Services Agreements Review

A motion was made by Director Wilson, seconded by Director Ritschel, and declared passed by those present, to:

- A. Direct staff to address the findings of the audit report with Laidlaw Transit Service by withholding the \$563,171 in questioned costs, negotiating with them regarding the withheld amounts and reporting back to the Committee regarding the resolution of these negotiations.

13. (Continued)

- B. Direct staff to ensure that the findings of this report are addressed and resolved with new language in the next ACCESS contract with Veolia, specifically that:
 - 1. The Orange County Transportation Authority (OCTA) require the contractor to reconcile cash collected, as described in the farebox reports, to the actual cash deposited, prior to submitting the monthly invoices to the Orange County Transportation Authority; and
 - 2. The Orange County Transportation Authority define vehicle service hours to address availability for service prior to and after lunches and breaks, and to clarify what is considered "excessive stand-by time".
- C. Receive and file.

14. Agreement for HASTUS Version 2006 Upgrade and HASTINFO-Web

A motion was made by Director Wilson, seconded by Director Ritschel, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-6-0213 between the Orange County Transportation Authority and Giro, Inc., in an amount not to exceed \$265,000, for the purchase of the HASTUS version 2006 bus scheduling software upgrade and the HASTINFO-Web trip planner.

15. Agreement for Towing Services

A motion was made by Director Wilson, seconded by Director Ritschel, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-6-0016 between the Orange County Transportation Authority and Hadley Tow, in an amount not to exceed \$140,000, for towing services for one year with two option years .

16. Agreement for Americans with Disabilities Act ACCESS Eligibility Determination Services

Vice Chair Cavecche pulled this item and asked how much is paid for determination of eligibility per individual.

Erin Rogers, Manager of Community Transportation Services, responded and explained the various aspects of the contract for these services. She also stated that the current cost is \$87.00.

16. (Continued)

Public comments were heard from Leo Fracaloso, representing Magnolia Physical Therapy, and asked the Board to look at the decision-making process and the criteria involved in how this decision was made.

A motion was made by Director Winterbottom, seconded by Vice Chair Cavecche, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-5-3039 between the Orange County Transportation Authority and Comprehensive Assessments Restorative Evaluation, in an amount not to exceed \$897,000, for ACCESS eligibility determination services.

17. Amendment to Cooperative Agreement with Regional Center of Orange County

A motion was made by Director Wilson, seconded by Director Ritschel, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 3 to Cooperative Agreement C-3-0185 between the Orange County Transportation Authority and Regional Center of Orange County, exercising the third option year, to share the cost of ACCESS transportation provided to Regional Center consumers.

18. Agreement for Building Modifications at Laguna Hills Transportation Center

A motion was made by Director Wilson, seconded by Director Ritschel, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-5-2743 between the Orange County Transportation Authority and Allied Industrial Systems, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$759,000, for building modifications at the Laguna Hills Transportation Center

Regular Calendar

Orange County Transit District Regular Calendar

19. Short-Term Bus Facilities Requirements

CEO, Arthur T. Leahy, provided opening comments on this item, and he explained that the recommendation is to authorize staff to begin a search for a bus operations site and to begin preliminary negotiations for an additional bus. He further explained that this flows from the following facts:

- √ On July 1, 2006, the current Irvine Base will be fully occupied when the ACCESS service moves into that facility, and all areas of service are growing;
- √ Access to the future Great Park include long-term plans to widen Marine Way over the next 3-5 years, and that will take approximately one-quarter of the current Irvine site, and the current services cannot operate if that occurs.

19. (Continued)

He stated that these facts lead to investigating the potential for an additional base, which would relieve pressure on the Irvine Base and would result in other efficiencies.

A motion was made by Director Winterbottom, seconded by Vice Chair Cavecche, and declared passed by those present, to authorize the Chief Executive Officer to begin site search and enter into preliminary negotiations for additional bus base.

Director Buffa was not present to vote on this item.

20. On-Board Video Surveillance System Installation on 50 Large Buses and 32 Paratransit Buses

CEO, Arthur T. Leahy, gave opening comments on this item and stated that the main benefit of the cameras would be to have documentation in the event of a crime on a bus, which could be an assault, graffiti, etc. He explained the location of cameras on the buses, how documentation would be produced and stored, and how this would provide documentation in the event of an accident which involved an OCTA bus and assist in any resulting litigation.

Director Correa stated that he felt this needs the buy-in by Coach Operators. Mr. Leahy stated that staff would certainly discuss the use of cameras with them.

Chairman Brown mentioned that he discussed this potential use of cameras with a Coach Operator earlier, and he was informed that drivers were supportive of cameras being put in place, particularly as the information would relate in the situation of an accident when it was felt the driver was not at fault.

Al Pierce, Manager of Maintenance, presented a PowerPoint and verbal report, and showed how the cameras would be positioned in and outside the bus, as well as what the benefits other agencies using this technology have experienced.

Chris Parro, Senior Fleet Analyst, provided technical information for the Board Members on the cameras' abilities and storage of data gathered. Mr. Pierce provided additional information on the views that would be covered with the cameras and informed Members that March Networks Corporation is the recommended vendor to provide this system for the OCTA bus fleet.

Director Rosen stated that he would like to see guidelines adopted for how the information gathered will be used in the future, and how that information may be used for employee-related complaints by passengers.

20. (Continued)

Public comment was heard from Donna Metcalfe, representing Teamsters Local 952, stated that the union would want to sit down with OCTA and do some bargaining on this issue and asked that a decision on this be deferred at this time.

Director Dixon inquired as to why a ten-day period of retention of video was selected, as opposed to another period of time. Mr. Pierce stated that this provides time for video to be retrieved when an incident has occurred, and storage for a longer period of time entails considerably greater expense.

A motion was made by Vice Chair Cavecche, seconded by Director Winterbottom, and declared passed by those present, to approve staff Recommendations A and B and to add two provisions: (1) staff to meet with Coach Operators and, (2) staff to come back to Committee with guidelines regarding the use of data gathered.

Staff's recommendations approved in this motion are to:

- A. Authorize the Contacts Administration and Materials Management Department to complete negotiations with each of the bus manufacturers, New Flyer and Creative Bus Sales, and amend current agreements in an amount not to exceed \$246,000.
- B. Authorize the Chief Executive Officer to execute Agreement C-6-0142 between the Orange County Transportation Authority and March Networks Corporation, in an amount not to exceed \$494,646, for hardware, system maintenance and support services.

Director Campbell requested that any legal obligations and principles be included in the guidelines when they are brought back to Committee.

Other Matters

21. Directors' Meeting Reports

Updated meeting reports were offered for meetings which were not listed in this agenda item.

Director Campbell asked General Counsel that since there is potential reimbursement for events/meetings attended, does that reimbursement constitute a requirement to report.

General Counsel, Kennard R. Smart, Jr., responded that the language of Assembly Bill 1234 states that if any public expense is paid – whether reimbursement (e.g., mileage) or food, or compensation, which is different than reimbursement – then the Director is participating in a “meeting”, then it is to be reported at the next meeting of the Board.

21. (Continued)

He stated that the statute is not perfectly drafted and refers to a "meeting" as defined in the Brown Act, and the sponsor intended any activity be reported, not necessarily limited to a Brown Act meeting. However, the Board needs to decide whether it wants to comply with the statute as written or to go beyond that.

Chairman Brown advised the Board that this issue has been placed on the next Executive Committee agenda and will be discussed at that time.

22. Directors' Reports

Director Wilson offered that the Children's Hospital of Orange County (CHOC) Follies are over and that approximately \$800,000 was raised at the benefit event.

Director Dixon asked if there would be future discussions regarding compressed natural gas (CNG) automobiles and stated that Honda Corporation is willing to provide a demonstration vehicle or two and see how the demonstration works out.

CEO, Arthur T. Leahy, stated that OCTA could look at that. He also informed the Members that OCTA recently procured an entire fleet of hybrids, and will look at any technology that may come along.

Chairman Brown stated that the Interstate 5 Gateway project held the groundbreaking ceremony on May 12; on May 19, the State Route 22 ramp opening took place.

23. Chief Executive Officer's Report

CEO, Arthur T. Leahy, informed the Board that nearly 60 percent of the cities have approved placing Measure M on the November ballot. He stated that all cities that have considered the matter have approved it.

Mr. Leahy informed the Board that week-end Metrolink service will begin on June 3, and there will be an opening ceremony in Santa Ana at 8:30 a.m.

24. Public Comments

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.

25. Closed Session

A Closed Session was not conducted at this meeting.

26. Adjournment

The meeting was adjourned at 10:40 a.m. Chairman Brown announced that the next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSSAAV Board would be held at **9:00 a.m. on June 12, 2006**, at OCTA Headquarters at 600 South Main Street - First Floor - Room 154, Orange, California.

ATTEST

Wendy Knowles
Clerk of the Board

Arthur C. Brown
OCTA Chairman



June 12, 2006

To: Members of the Board of Directors
From: Arthur C. Brown, Chairman of the Board
Subject: Appointments to the Riverside Orange Corridor Authority Board

The following Members' names are submitted for approval to serve on the Board of the Riverside Orange Corridor Authority as representatives of the Orange County Transportation Authority:

- √ Vice Chair Carolyn Cavecche
- √ Director Bill Campbell
- √ Director Richard Dixon



June 12, 2006

To: Members of the Board of Directors

From: Kennard R. Smart, Jr., General Counsel

Subject: Public Reports of Meetings; Policy for Compensation, Reimbursement of Expenses, and Ethics Training for Members of the Board of Directors

Overview

On May 8, 2006, the Board of Directors approved a Policy for Compensation, Reimbursement of Expenses, and Ethics Training for Members of the Board of Directors. The Policy includes a requirement for Directors to report on meetings attended at the expense of the Authority. A clarification defining meetings is proposed.

Recommendation

Approve revising Section IV K of the Policy for Compensation, Reimbursement of Expenses and Ethics Training for Members of the Board of Directors to require reports on Director attendance at Brown Act meetings, other than OCTA standing committee meetings, and for Director travel activities approved by the Board of Directors.

Background

On May 8, 2006, the Board of Directors approved a Policy for Compensation, Reimbursement of Expenses, and Ethics Training for Members of the Board of Directors. This Policy complies with the requirements of AB 1234 enacted by the California Legislature, effective January 1, 2006. It is desirable to clarify the types of meetings and activities which are to be reported on by an attending Director.

Discussion

Section IV K of the Policy provides that Directors are to report on meetings attended at the expense of OCTA at the next regular meeting of the Board of Directors. On June 5, 2005, the Executive Committee voted to recommend that the Policy be amended to clarify that a meeting for purposes of this section shall mean a Brown Act meeting (Government Code Section 54952.2), excluding Board standing committee meetings, and Director travel activities approved by the Board of Directors. This would amend Section IV K to read as follows:

"K. Public Report of Meetings

In accordance with Government Code Section 53232.3(d), a Director shall provide a brief report on meetings attended at the expense of the OCTA at the next regular meeting of the Board of Directors. Such reports may be made orally or may be submitted in writing. For purposes of this section, 'meeting' shall mean a Brown Act meeting (Government Code Section 54952.2), excluding Board standing committee meetings, and Director travel activities approved by the Board of Directors."

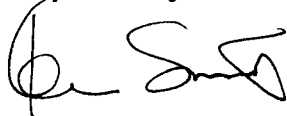
Summary

The Executive Committee recommends defining meetings attended by a Director which are to be reported on by the Director at the next regularly scheduled meeting of the Board of Directors.

Attachment(s)

None.

Prepared by:



Kennard R. Smart, Jr.
General Counsel
(714) 564-2608



June 12, 2006

To: Members of the Board of Directors
At
From: Arthur T. Leahy, Chief Executive Officer
Subject: State Legislative Status Report

Overview

An oppose position is recommended on efforts to impede the Foothill Transportation Corridor-South extension planning and development process in response to Assembly Budget Subcommittee #5 recommendations.

Recommendation

Adopt the following policy positions on proposed legislation:

Oppose legislative efforts to impede the local planning and development process for the Foothill Transportation Corridor-South extension.

Discussion

Since the mid-1990s, the Foothill/Eastern Transportation Corridor Agency (F/ETCA) has worked with the Federal Highway Administration, the United States Environmental Protection Agency (U.S. EPA), the United States Fish and Wildlife Service, the United States Army Corps of Engineers (U.S. Army Corps of Engineers), the California Department of Transportation (Caltrans), the United States Marine Corps Camp Pendleton, and many others to identify and analyze various project alternatives for the 16-mile extension of the Foothill Transportation Corridor (State Route-241) known as "Foothill Transportation Corridor-South (FTC-S)."

The current alignment and Final Environmental Impact Report (FEIR), adopted by the F/ETCA on February 23, 2006, has been found to deliver the greatest amount of traffic relief to the San Diego Freeway (Interstate 5) and is the least environmentally damaging, practicable alternative according to the U.S. EPA and the U.S. Army Corps of Engineers. Other alternatives, such as the widening of Interstate 5 (I-5), would have severe negative impacts to South

Orange County and include the removal of more than 800 homes, nearly 400 businesses and eliminating 5,000 jobs at a cost of \$2 billion to taxpayers.

A recent legislative effort to impede the progress of the FTC-S project emerged on May 3, 2006, in Assembly Budget Subcommittee #5 on Transportation and Technology. This committee, led by Chair Pedro Nava (D-Santa Barbara), considered and approved the following recommendations:

- Approve trailer bill language amending the authorizing statute of the F/ETCA to prohibit their authority to build a road through the San Onofre State Park.
- Approve trailer bill language amending the Public Resources Code prohibiting the construction of a private toll road through the San Onofre State Park.
- Increase the Caltrans budget by \$450,000 (State Highway Account) to provide reimbursement to the University of California to conduct an independent study to identify alternatives for relieving traffic congestion to the proposed extension of the 241 toll road through San Onofre State Park.

On May 17, 2006, Senate Budget Subcommittee #4 considered, but voted not to act, on the following recommendations:

- The California Transportation Commission (CTC) could not approve federal funds to be used for FTC-S until Caltrans and the State Parks Department completed a study of alternatives.
- Caltrans would not be permitted to review or approve any FTC-S related documents until a study of alternatives was completed by Caltrans and the State Parks Department.

This decision followed the testimony of Orange County Board of Supervisors Chairman Bill Campbell and Orange County Business Council Chief Executive Officer Lucy Dunn.

This latest attempt in the budget process marks the fourth straight legislative session that action has been taken to try to subvert the extensive \$17 million, six-year planning and negotiating process for this final road segment which will complete Orange County's planned 67-mile toll road system. Such efforts include SB 1227 (Hayden, D-Santa Monica) in 1999-2000, SB 116 (Kuehl, D-Santa Monica) in 2001-2002, and SB 1327 (Kuehl, D-Santa Monica) in 2003-2004.

The Orange County Transportation Authority (OCTA) took an oppose position on each of the aforementioned bills. Additionally, OCTA has supported both

the federal military easement and transportation appropriations bills to facilitate the development of this road. The FTC-S has been included in the Southern California Association of Government's regional transportation plan, OCTA's FastForward assessment of transportation needs in 2030, the Orange County Master Plan of Arterial Highways, and the General Plans of the cities of San Clemente, San Juan Capistrano, and Mission Viejo.

This long and well-planned process should not be subverted by back-door legislation inserted into the budget process. Additionally, out-of-area legislators should not interfere in a well-planned and thoroughly studied local road project. Staff recommends: OPPOSE.

Summary

Members of the legislature are proposing to prevent the development of the Foothill Transportation Corridor-South. The Board of Directors is requested to oppose this proposal.

Attachment

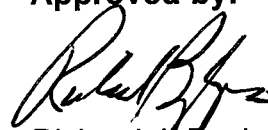
- A. Legislative Matrix

Prepared by:



Wendy Villa
Principal Government Relations
Representative
(714) 560-5595

Approved by:



Richard J. Bacigalupo
Deputy Chief Executive Officer
(714) 560-5901

Orange County Transportation Authority Legislative Matrix

(▶ Denotes changes from the last report)

OCTA Sponsor Legislation

AB 267

AUTHOR: Daucher [R]
TITLE: Transportation Projects
LAST AMEND: 08/15/2005
LOCATION: Senate Appropriations Committee
STATUS:
08/25/2005 In SENATE Committee on APPROPRIATIONS: Not heard.
NOTES: LP Sec. III (a) Repayment of local funds
COMMENTARY:
Sponsor bill clarifying Legislature's intent to fully reimburse, without time limits, local agencies that use local funds to advance projects in the STIP. Relevance to OCTA: Ensures reimbursement of local funds expended on STIP projects.
Position: Sponsor

▶ AB 2538

AUTHOR: Wolk [D]
TITLE: Transportation Funds
LAST AMEND: 04/26/2006
LOCATION: Assembly Appropriations Committee
HEARING: 05/24/2006, 05/25/2006
STATUS:
05/17/2006 In ASSEMBLY Committee on APPROPRIATIONS: To
Suspense File
COMMENTARY:
Authorizes each transportation planning agency or county transportation commission to request and receive up to 5% of federal metropolitan planning funds for the purposes of project planning, programming, and monitoring. Establishes a minimum amount allocated for this purpose.
Position: Co-Sponsor

Bills with Official Positions

- AB 372 **AUTHOR:** Nation [D]
TITLE: Public Contracts: Transit Design-Build Contracts
LAST AMEND: 01/11/2006
LOCATION: Senate Transportation and Housing Committee
STATUS:
01/26/2006 To SENATE Committee on TRANSPORTATION AND HOUSING.
COMMENTARY:
Authorizes Transit Operators to enter into a design-build contracts.
Position: Support
- AB 1118 **AUTHOR:** Umberg [D]
TITLE: Nonhighway Vehicles: Disclosure
LAST AMEND: 04/19/2005
LOCATION: Senate Transportation and Housing Committee
STATUS:
06/02/2005 To SENATE Committee on TRANSPORTATION AND HOUSING.
COMMENTARY:
Requires manufacturers of non-highway vehicles, including but not limited to pocketbikes, place a notice on the vehicles that they cannot be operated on highways.
Position: Watch
- ▶ AB 2361 **AUTHOR:** Huff [R]
TITLE: Transportation: Federal Funds: Border Infrastructure
LAST AMEND: 03/28/2006
LOCATION: Assembly Appropriations Committee
STATUS:
04/17/2006 From ASSEMBLY Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS.
COMMENTARY:
Exempts federal funds derived from apportionments made to the state under the coordinated border infrastructure program from being subject to the funding distribution and fair share formulas. Requires these funds to be programmed by the Transportation Commission through a competitive grant program separate from the state transportation improvement program in a manner consistent with federal law. Author has decided to support SB 1282 in lieu of this bill.
Position: Support
- ACA 4 **AUTHOR:** Plescia [R]
TITLE: Transportation Investment Fund
LAST AMEND: 05/09/2005
LOCATION: Assembly Appropriations Committee
STATUS:
01/09/2006 From ASSEMBLY Committee on TRANSPORTATION: Be adopted to Committee on APPROPRIATIONS.
NOTES: LP Proposition 42
COMMENTARY:
Deletes Proposition 42 suspension provisions. Relevance to OCTA: Ensures that OCTA, Orange County, and cities receive their share of Proposition 42 annually allowing for better project planning and delivery.
Position: Support

- ACA 11 **AUTHOR:** Oropeza [D]
TITLE: Transportation Funds: Loans
LOCATION: Assembly Appropriations Committee
STATUS:
01/09/2006 From ASSEMBLY Committee on TRANSPORTATION: Do
pass to Committee on APPROPRIATIONS.
- COMMENTARY:**
Deletes Proposition 42 suspension provisions. Permits up to 2 loans of Proposition
42 funds to the General Fund or to any other state fund or account in a 10 year
period provided the first loan is repaid in full prior to permitting a second loan.
Relevance to OCTA: Provides better protection of Proposition 42 allowing for
better project planning and delivery.
Position: Watch
- SB 208 **AUTHOR:** Alquist [D]
TITLE: Transportation Projects: Electronic Fund Transfers
LAST AMEND: 05/31/2005
LOCATION: Assembly Transportation Committee
STATUS:
06/27/2005 In ASSEMBLY Committee on TRANSPORTATION: Not
heard.
NOTES: LP Sec. III (h) Removing funding barriers
COMMENTARY:
Requires Caltrans to implement a rapid electronic funds transfer system by June
30, 2006. Relevance to OCTA: Expedites the reimbursement of local funds
expended on STIP projects.
Position: Support
- SB 1726 **AUTHOR:** Lowenthal [D]
TITLE: Vehicles: Commercial and Common Carriers: Lamps
LAST AMEND: 04/19/2006
LOCATION: ASSEMBLY
STATUS:
05/18/2006 *In SENATE. Read third time. Passed SENATE.*
*****To ASSEMBLY.
- COMMENTARY:**
This bill would authorize buses, operated by a publicly owned transit system on
regularly scheduled service, to be equipped with certain illuminated signs, as
specified. The bill would require that the illuminated signs adhere to certain
specifications.
Position: Support
- SB 1812 **AUTHOR:** Runner G [R]
TITLE: Department of Transportation: Surface Transportation
LAST AMEND: 05/02/2006
LOCATION: Senate Appropriations Committee
STATUS:
05/22/2006 *In SENATE Committee on APPROPRIATIONS: To*
Suspense File.
- COMMENTARY:**
Authorizes the Director of Transportation to consent to the jurisdiction of the federal
courts with regard to the compliance, discharge, or enforcement of the
responsibilities assumed pursuant to the surface transportation project delivery
pilot program. Requires the department to submit a specified report relating to the
program. *This language was included in AB 1039 as part of the infrastructure bond*
package.
Position: Support

► SCA 7

AUTHOR: Torlakson [D]
TITLE: Loans of Transportation Revenues and Funds
ADOPTED: 05/06/2006
LOCATION: Chaptered

STATUS:
05/09/2006 Chaptered by Secretary of State.
05/09/2006 Resolution Chapter No. 49

COMMENTARY:

This will be "Proposition 1A" on the November 2006 ballot. This bill protects Proposition 42 from further state diversions by limiting loans to the General Fund to twice in a 10-year period. In addition, loans must be repaid with interest within 3 years.

Position: Support

Bills being Monitored

- ▶ AB 143 **AUTHOR:** Assembly Budget Committee
TITLE: Highway Construction: Design-Build Program
LAST AMEND: 05/04/2006
LOCATION: Assembly Unfinished Business - Reconsideration
STATUS:
05/04/2006 In SENATE. From Inactive File. To third reading.
05/04/2006 In SENATE. Read third time and amended. Senate Rule
29.3 suspended. To third reading.
05/04/2006 In SENATE. Read third time. Passed SENATE. *****In
ASSEMBLY for concurrence.
05/04/2006 In ASSEMBLY. ASSEMBLY refused to concur in SENATE
amendments.
05/04/2006 In ASSEMBLY. Motion to reconsider.
COMMENTARY:
Authorizes certain state and local transportation entities to use a design-build
process for contracting transportation projects. Authorizes transportation projects,
to be selected by the state Transportation Commission. Establishes a procedure
for submitting bids that include a requirement that design builders provide a
statement of qualifications submitted to the transportation entity that is verified
under oath. This bill was intended to be part of the infrastructure bond package.
Position: Monitor
- ▶ AB 713 **AUTHOR:** Torrico [D]
TITLE: High-Speed Passenger Train Bond Act
LOCATION: Senate Appropriations Committee
STATUS:
05/18/2006 In SENATE. Read second time and amended. Re-referred
to Committee on APPROPRIATIONS.
COMMENTARY:
Puts the \$9.95 billion High Speed Rail Bond Act on the Nov. 8, 2008 ballot.
Position: Monitor
- AB 948 **AUTHOR:** Oropeza [D]
TITLE: Design-Build and Transit Operators
LAST AMEND: 04/13/2005
FILE: A-17
LOCATION: Senate Inactive File
STATUS:
07/11/2005 In SENATE. To Inactive File.
COMMENTARY:
Metrolink sponsored bill that would lower the threshold for design build from \$50
million to \$25 million. Would also require a labor compliance program if there is no
collective bargaining agreement.
Position: Monitor
- AB 1010 **AUTHOR:** Oropeza [D]
TITLE: Rail Transit
LAST AMEND: 04/06/2005
LOCATION: Senate Energy, Utilities and Communications Committee
STATUS:
06/09/2005 To SENATE Committee on ENERGY, UTILITIES AND
COMMUNICATIONS.
COMMENTARY:
Transfers responsibility for rail grade crossing safety from PUC to Caltrans.
Position: Monitor

- ▶ AB 1039 **AUTHOR:** Nunez [D]
TITLE: Government: Environment: Bonds: Transportation
ADOPTED: 05/19/2006
LOCATION: Chaptered
STATUS:
05/19/2006 Signed by Governor.
05/19/2006 Chaptered by Secretary of State. Chapter No. 31.
COMMENTARY:
Exempts specified levee, highway and bridge retrofit projects from the California Environmental Quality Act. Provides for a master environmental impact report for a plan adopted by the Department of Transportation for improvements to segments of Highway 99 funded by specified bond funds. Consents the jurisdiction of federal courts to the surface transportation project delivery pilot program. Provides for a consolidated permit or approval for urgent levee repairs funded by specified bond funds. Part of the infrastructure bond package.
Position: Monitor
- AB 1157 **AUTHOR:** Frommer [D]
TITLE: Rail Safety and Traffic Mitigation Bond Act of 2006
LAST AMEND: 02/08/2006
LOCATION: Senate Transportation and Housing Committee
STATUS:
02/08/2006 From SENATE Committee on TRANSPORTATION AND HOUSING with author's amendments.
02/08/2006 In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION AND HOUSING.
COMMENTARY:
States the intent of the Legislature to enact legislation providing for a general obligation bond act to be submitted to the voters for approval in order to provide funding for a program to eliminate the most dangerous railroad-highway grade crossings in the state, as identified by the Public Utilities Commission, with funds to be allocated by the Transportation Commission.
Position: Monitor
- ▶ AB 1467 **AUTHOR:** Nunez [D]
TITLE: Transportation Projects: Facilities: Partnerships
ADOPTED: 05/19/2006
LOCATION: Chaptered
STATUS:
05/19/2006 Signed by Governor.
05/19/2006 Chaptered by Secretary of State. Chapter No. 32.
COMMENTARY:
Authorizes the Department of Transportation and regional transportation agencies to enter into comprehensive development lease agreements with public and private entities, or consortia of those entities, for certain transportation projects that may charge certain users of those projects tolls and user fees, subject to various terms and requirements. Authorizes regional transportation agencies to apply to develop and operate high-occupancy toll lanes. Limits the number of such projects. Part of the infrastructure bond package.
Position: Monitor

AB 1699 **AUTHOR:** Frommer [D]
TITLE: Transportation: Highway Construction
LAST AMEND: 05/27/2005
LOCATION: Senate Transportation and Housing Committee
STATUS:
06/15/2005 To SENATE Committee on TRANSPORTATION AND HOUSING.

COMMENTARY:
Authorizes Caltrans or self help counties to construct up to 8 toll road HOT lane projects using design build. Contains a labor compliance component.
Position: Monitor

AB 1783 **AUTHOR:** Nunez [D]
TITLE: Infrastructure Financing
INTRODUCED: 01/04/2006
LOCATION: ASSEMBLY
STATUS:
01/04/2006 INTRODUCED
COMMENTARY:
This bill would provide for the financing of state and local government infrastructure through various funding sources. This is Assembly Democrats Infrastructure Bond Proposal.
Position: Monitor

AB 1838 **AUTHOR:** Oropeza [D]
TITLE: Transportation Bond Acts of 2006, 2008, and 2012
INTRODUCED: 01/10/2006
LOCATION: ASSEMBLY
STATUS:
01/10/2006 INTRODUCED
COMMENTARY:
This bill would authorize general obligation bonds for various transportation purposes, pledges a percentage of existing fuel excise taxes and truck weight fees to offset the cost of the bond debt service, and authorizes transportation entities to use a design-build process for contracting on transportation projects. This is the Administrations Infrastructure Bond Proposal. Identical to SB 1165.
Position: Monitor

AB 1974 **AUTHOR:** Walters [R]
TITLE: High Occupancy Vehicle Lanes
INTRODUCED: 02/09/2006
LOCATION: Assembly Transportation Committee
STATUS:
04/24/2006 In ASSEMBLY Committee on TRANSPORTATION: Not heard.

COMMENTARY:
Authorizes any county board of supervisors to authorize the use of high occupancy vehicle lanes on the state highway system within the county by any highway vehicle, providing that this use is consistent with federal law.
Position: Monitor

AB 1990 **AUTHOR:** Walters [R]
TITLE: Eminent Domain
LAST AMEND: 04/03/2006
LOCATION: Assembly Housing and Community Development Committee
STATUS:
04/26/2006 In ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Failed passage.
04/26/2006 In ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Reconsideration granted.

COMMENTARY:
Prohibits a city, county, special district, school district, community redevelopment agency, or community development commission or joint powers agency from exercising the power of eminent domain to acquire any real property if ownership of the property will be transferred to a private party or private entity. Provides exceptions.

Position: Monitor

AB 2025 **AUTHOR:** Niello [R]
TITLE: Design Build Contracts
INTRODUCED: 02/14/2006
LOCATION: Assembly Transportation Committee
STATUS:
04/17/2006 In ASSEMBLY Committee on TRANSPORTATION: Heard, remains in Committee.

COMMENTARY:
Authorizes the Department of Transportation to contract using the design-build process for the design and construction of transportation projects. Requires the director of the department to establish a prequalification and selection process.

Position: Monitor

AB 2028 **AUTHOR:** Huff [R]
TITLE: Transportation Funding
INTRODUCED: 02/14/2006
LOCATION: ASSEMBLY
STATUS:
02/14/2006 INTRODUCED

COMMENTARY:
States the intent of the Legislature to provide an appropriation in the Budget Act of 2007 or in related legislation during the 2007-08 fiscal year to repay fully all funds that would have been transferred to the Transportation Investment Fund in previous fiscal years, but for the enactment of statutes providing for the suspension of those transfers.

Position: Monitor

AB 2128 **AUTHOR:** Torrico [D]
TITLE: Tax: Credits: Commuter Benefits
LAST AMEND: 05/03/2006
LOCATION: Assembly Revenue and Taxation Committee
STATUS:
05/08/2006 In ASSEMBLY Committee on REVENUE AND TAXATION: Failed passage

COMMENTARY:
Relates to the Personal Income Tax and Corporation Tax laws. Authorizes a credit against those taxes for the costs incurred by a qualified taxpayer to provide commuter benefits to its employees.

Position: Monitor

- AB 2210 **AUTHOR:** Goldberg [D]
TITLE: Tow Trucks: Regulating
LAST AMEND: 05/08/2006
LOCATION: Assembly Appropriations Committee
HEARING: 05/24/2006, 05/25/2006
STATUS:
05/17/2006 *In ASSEMBLY Committee on APPROPRIATIONS: To
Suspense File.*
- COMMENTARY:**
Allows local authorities to license and regulate tow truck service companies and their operators. Requires a towing company to provide a photo copy of the written authorization to a vehicle owner or an agent of that owner.
Position: Monitor
- AB 2286 **AUTHOR:** Torrico [D]
TITLE: Infrastructure Financing Districts in Housing Zones
LAST AMEND: 05/16/2006
LOCATION: Assembly Appropriations Committee
STATUS:
05/16/2006 *In ASSEMBLY. Read second time and amended. Re-
referred to Committee on APPROPRIATIONS.*
- COMMENTARY:**
Authorizes the legislative body of a city or county to designate one or more proposed infrastructure financing districts in housing opportunity zones to be financed by tax increment financing.
Position: Monitor
- AB 2290 **AUTHOR:** DeVore [R]
TITLE: State Highway Facilities Designated for Trucks: Fees
LAST AMEND: 04/04/2006
LOCATION: ASSEMBLY
STATUS:
05/17/2006 *From ASSEMBLY Committee on TRANSPORTATION
without further action pursuant to JR 62 (a).*
- COMMENTARY:**
Authorizes the Department of Transportation or regional transportation agencies to enter into comprehensive development franchise agreements with public and private entities for the construction of transportation projects on state highways designated for exclusive use of commercial trucks. Authorizes user fees to be collected during the franchise agreement period, and authorizes the Transportation Commission to approve continuation of those fees after termination of the agreement.
Position: Monitor
- AB 2295 **AUTHOR:** Arambula [D]
TITLE: Transportation Capital Improvement Projects
INTRODUCED: 02/22/2006
LOCATION: Senate Transportation and Housing Committee
STATUS:
05/04/2006 *To SENATE Committee on TRANSPORTATION AND
HOUSING.*
- COMMENTARY:**
States that local road rehabilitation projects are eligible for funds allocated for transportation capital improvement funds.
Position: Monitor

- AB 3047 **AUTHOR:** Canciamilla [D]
TITLE: Toll Road Agreements
LAST AMEND: 04/26/2006
LOCATION: Assembly Appropriations Committee
HEARING: 05/24/2006, 05/25/2006
STATUS:
05/17/2006 *In ASSEMBLY Committee on APPROPRIATIONS: To
Suspense File.*
- COMMENTARY:**
Authorize the Department of Transportation to enter into no more than 20 comprehensive toll road development franchise agreements with public and private entities for specified types of transportation projects. Authorizes tolls to be collected after the termination of a franchise agreement period. Requires a franchise agreement to allow the department to open a competitive state facility in the same corridor and to construct and operate high-occupancy vehicle and other preferential lanes as toll facilities.
Position: Monitor
- ACA X1 4 **AUTHOR:** Keene [R]
TITLE: State Finances
LAST AMEND: 04/11/2005
LOCATION: Assembly Budget Process Committee
STATUS:
04/11/2005 From ASSEMBLY Committee on BUDGET PROCESS with
author's amendments.
04/11/2005 In ASSEMBLY. Read second time and amended.
Re-referred to ASSEMBLY Committee on BUDGET
PROCESS.
- COMMENTARY:**
Administration's budget report proposal which includes Proposition 98 reform and Proposition 42 protections.
Position: Monitor
- ACA 5 **AUTHOR:** Richman [R]
TITLE: Public Retirement Systems
INTRODUCED: 12/06/2004
LOCATION: Assembly Public Employees, Retirement and Social Security
Committee
STATUS:
04/14/2005 To ASSEMBLY Committee on PUBLIC EMPLOYEES,
RETIREMENT, AND SOCIAL SECURITY
- COMMENTARY:**
Proposes a constitutional amendment that would prohibit new employees, hired after July 1, 2007, from participating in a defined benefit plan. These employees would be limited to a defined contribution plan or retirement system.
Position: Monitor
- ACA 7 **AUTHOR:** Nation [D]
TITLE: Local Governmental Taxation
LOCATION: Assembly Appropriations Committee
STATUS:
05/25/2005 In ASSEMBLY Committee on APPROPRIATIONS: Heard,
remains in Committee.
- COMMENTARY:**
Lowers voter threshold to 55% for special tax measures.
Position: Monitor

ACA 9 **AUTHOR:** Bogh [R]
TITLE: Motor Vehicle Fuel Sales Tax Revenue
LOCATION: Assembly Appropriations Committee
STATUS:
01/09/2006 From ASSEMBLY Committees on TRANSPORTATION: Be adopted to the Committee on APPROPRIATIONS.

COMMENTARY:
Would amend Prop 42 to require 4/5ths of the legislature to suspend transfer instead of the current 2/3rds.
Position: Monitor

ACA 22 **AUTHOR:** La Malfa [R]
TITLE: Eminent Domain: Condemnation Proceedings
LAST AMEND: 01/26/2006
LOCATION: Assembly Housing and Community Development Committee
STATUS:
05/10/2006 In ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT: Failed passage.

COMMENTARY:
Amends existing eminent domain law to only allow for private property to be taken when it is for a stated public use.
Position: Monitor

ACA 27 **AUTHOR:** McCarthy [R]
TITLE: State Budget: Capital Outlay
LOCATION: ASSEMBLY
STATUS:
01/25/2006 INTRODUCED

COMMENTARY:
Requires that the budget submitted to the Legislature by the Governor allocate, and that the Budget Bill as passed by the Legislature and as signed by the Governor appropriate, General Fund revenues to fund capital outlay projects of statewide significance and interest in an annual amount determined pursuant to a specified schedule.
Position: Monitor

SB 53 **AUTHOR:** Kehoe [D]
TITLE: Redevelopment
LAST AMEND: 08/15/2005
LOCATION: Assembly Local Government Committee
STATUS:
08/15/2005 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.
08/15/2005 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

COMMENTARY:
Requires redevelopment plans to contain a description of the agency's program to acquire real property by eminent domain, including prohibitions, if any, on the use of eminent domain, and a time limit for the commencement of eminent domain proceedings.
Position: Monitor

SB 153 **AUTHOR:** Chesbro [D]
TITLE: Clean Water, Safe Parks, Coastal Protection
LAST AMEND: 09/02/2005
LOCATION: Assembly Appropriations Committee
STATUS:
09/02/2005 From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.
09/02/2005 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

COMMENTARY:
General Obligation Bond for water, parks and open space.
Position: Monitor

SB 172 **AUTHOR:** Torlakson [D]
TITLE: Bay Area State-Owned Toll Bridge: Financing
LAST AMEND: 05/27/2005
LOCATION: Assembly Transportation Committee
STATUS:
06/13/2005 To ASSEMBLY Committee on TRANSPORTATION.

COMMENTARY:
Gives the Bay Area Toll Authority more control over Caltrans construction of toll bridge seismic retrofits in the Bay Area. Requires quarterly reports by Caltrans the projects.
Position: Monitor

SB 371 **AUTHOR:** Torlakson [D]
TITLE: Public Contracts: Design-Build: Transportation
LAST AMEND: 01/23/2006
LOCATION: ASSEMBLY
STATUS:
01/30/2006 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.

COMMENTARY:
Design-build spot bill to be jointly authored by Senators Torlakson and Runner.
Position: Monitor

SB 427 **AUTHOR:** Hollingsworth [R]
TITLE: Environmental Quality Act: Scoping Meetings
LAST AMEND: 01/04/2006
LOCATION: Assembly Natural Resources Committee
STATUS:
02/16/2006 To ASSEMBLY Committee on NATURAL RESOURCES

COMMENTARY:
Requires at least one scoping meeting for a project and requires the lead agency to consult with transportation planning agencies that could be affected by a project. Requires notice of at least one scoping meeting be provided to those agencies required to be consulted concerning the project and to require, in the consultation, the project's effect on overpasses, on-ramps, and off-ramps.
Position: Monitor

SB 459 **AUTHOR:** Romero [D]
TITLE: Air Pollution: South Coast District: Locomotives
LAST AMEND: 04/12/2005
LOCATION: Assembly Transportation Committee
STATUS:
06/27/2005 In ASSEMBLY Committee on TRANSPORTATION: Heard,
remains in Committee.

COMMENTARY:
Authorizes SCAQMD to collect a fee associated with locomotive air pollution and to
expend it for specified mitigation purposes including railroad grade crossings.
Position: Monitor

SB 760 **AUTHOR:** Lowenthal [D]
TITLE: Ports: Congestion Relief: Security Enhancement
LAST AMEND: 05/27/2005
LOCATION: Assembly Appropriations Committee
STATUS:
06/27/2005 From ASSEMBLY Committee on NATURAL RESOURCES:
Do pass to Committee on APPROPRIATIONS.

COMMENTARY:
Authorizes the Ports of Los Angeles and Long Beach to impose a \$30 fee on each
Twenty foot Equivalent Unit (TEU). The Port would retain \$10 for improvements
and would forward \$10 to AQMD for air quality mitigation, and \$10 to the CTC to
use on railroad improvement projects in Orange and other counties.
Position: Monitor

SB 832 **AUTHOR:** Perata [D]
TITLE: CEQA: Infill Development
LAST AMEND: 05/04/2005
LOCATION: Assembly Inactive File
STATUS:
03/02/2006 In ASSEMBLY. To Inactive File.

COMMENTARY:
Relates to infill development under the California Environmental Quality Act.
Provides an alternative to infill criteria if the site is located in a city with a population
of more than 200,000 persons, the site is not more than 10 acres, and the project
does not have less than 200 or more than 300 residential units, as adopted by a
resolution of the city council. Bill intended to be linked to SB 1024 Infrastructure
Bond.
Position: Monitor

SB 1024 **AUTHOR:** Perata [D]
TITLE: Public Works and Improvements: Bond Measure
LAST AMEND: 01/26/2006
LOCATION: ASSEMBLY
STATUS:
01/30/2006 In SENATE. Read third time. Passed SENATE. *****To
ASSEMBLY.

COMMENTARY:
Enacts the Essential Facilities Seismic Retrofit Bond Act of 2005 to place a \$10.3
billion general obligation bond before voters to funds seismic retrofit of essential
facilities, including the Bay Bridge, repay Proposition 42 loans, and to facilitate
goods movement.
Position: Monitor

- SB 1161 **AUTHOR:** Alarcon [D]
TITLE: State Highways: Design-Sequencing Contracts
LAST AMEND: 05/02/2006
LOCATION: Senate Appropriations Committee
STATUS:
05/22/2006 In SENATE Committee on APPROPRIATIONS: To
 Suspense File
- COMMENTARY:**
Relates to existing law authorizing the Department of Transportation, to conduct a pilot project to award design-sequencing contracts for the design and construction of not more than 12 transportation projects. Authorizes the department to award contracts for projects using the design-sequencing contract method, certain requirements are met.
Position: Monitor
- SB 1165 **AUTHOR:** Dutton [R]
TITLE: Transportation Bond Acts of 2006, 2008, and 2012
INTRODUCED: 01/10/2006
LOCATION: Senate Transportation and Housing Committee
STATUS:
01/19/2006 To SENATE Committees on TRANSPORTATION AND
 HOUSING and ENVIRONMENTAL QUALITY.
- COMMENTARY:**
This bill would authorize general obligation bonds for various transportation purposes, pledges a percentage of existing fuel excise taxes and truck weight fees to offset the cost of the bond debt service, and authorizes transportation entities to use a design-build process for contracting on transportation projects. This is the Administrations Infrastructure Bond Proposal. Identical to AB 1838.
Position: Monitor
- SB 1266 **AUTHOR:** Perata [D]
TITLE: Highway Safety, Traffic Reduction, Air Quality
ADOPTED: 05/16/2006
LOCATION: Chaptered
STATUS:
05/16/2006 Signed by GOVERNOR.
05/16/2006 Chaptered by Secretary of State. Chapter No. 25.
- COMMENTARY:**
Enacts the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Authorizes a specified amount of general obligation bonds for transportation corridor improvements, trade infrastructure and port security projects, transit security, local bridge retrofit, highway-railroad grade and crossing projects, highway rehabilitation, local street and road improvements. Part of the infrastructure bond package.
Position: Monitor

- SB 1282 **AUTHOR:** Ducheny [D]
TITLE: Transportation: Federal Funds: Border Infrastructure
LAST AMEND: 05/02/2006
LOCATION: Assembly Transportation Committee
STATUS:
05/15/2006 To ASSEMBLY Committee on TRANSPORTATION
COMMENTARY:
Requires federal funds apportioned to the state under the coordinated border infrastructure program of the Safe, Accountable Flexible, Efficient Transportation Equity act: a Legacy for Users (SAFETEA-LU) to be programmed, allocated and expended in the same manner as other federal transportation capital funds in the state transportation improvement program. Authorizes use of funds for projects in Mexico.
Position: Monitor
- SB 1431 **AUTHOR:** Cox [R]
TITLE: Public Contracts: Design-Build Contracting: Cities
LAST AMEND: 04/18/2006
LOCATION: Senate Appropriations Committee
STATUS:
05/08/2006 In SENATE Committee on APPROPRIATIONS: To
Suspense File.
COMMENTARY:
Permits any city with the approval of the city council, county boards of supervisors, and special districts to enter into specified design-build contracts in accordance with specified provisions. Requires that contracts costing more than a specified amount by those cities, counties or districts to be awarded to the lowest responsible bidder. Requires the Legislative Analyst's Office to report to the Legislature regarding the effectiveness of the design-build program.
Position: Monitor
- SB 1593 **AUTHOR:** Runner G [R]
TITLE: Vehicles: Removal: Storage
LAST AMEND: 05/22/2006
LOCATION: Senate Second Reading File
STATUS:
05/22/2006 In SENATE. Read third time and amended. To second
reading.
COMMENTARY:
Revises provisions of existing law that requires as part of the conditions under which a vehicle may be removed from private property that a sign of specified dimensions and specified size for lettering conveying specified information be posted on the property. Also requires a towing company to post a \$25,000 bond, to hold a valid motor carrier permit, and to provide copies of the bond and permit to the owner, owner's agent, or person in lawful possession of the private property. Provides for tow company liability.
Position: Monitor

SCA 15 **AUTHOR:** McClintock [R]
TITLE: Eminent Domain: Condemnation Proceedings
LAST AMEND: 08/23/2005
LOCATION: Senate Judiciary Committee
STATUS:
08/30/2005 In SENATE Committee on JUDICIARY: Failed passage.
08/30/2005 In SENATE Committee on JUDICIARY: Reconsideration
granted.
COMMENTARY:
Amends existing eminent domain law to only allow for private property to be taken
when it is for a stated public use.
Position: Monitor

SCA 20 **AUTHOR:** McClintock [R]
TITLE: Eminent Domain: Condemnation Proceedings
INTRODUCED: 01/11/2006
LOCATION: Senate Judiciary Committee
STATUS:
04/25/2006 In SENATE Committee on JUDICIARY: Failed passage.
04/25/2006 In SENATE Committee on JUDICIARY: Reconsideration
granted.
COMMENTARY:
Amends existing eminent domain law to only allow for private property to be taken
when it is for a stated public use.
Position: Monitor

SCA 21 **AUTHOR:** Runner G [R]
TITLE: State Budget
INTRODUCED: 01/11/2006
LOCATION: Senate Budget and Fiscal Review Committee
STATUS:
03/02/2006 In SENATE Committee on BUDGET AND FISCAL REVIEW:
Heard, remains in Committee
COMMENTARY:
Administration's General Fund GO Bond 6% Debt Cap Proposal
Position: Monitor



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Rubberized Asphalt Incentive Grant for the Garden Grove Freeway (State Route 22) Improvement Project

Regional Planning and Highways Committee

June 5, 2006

Present: Directors Correa, Cavecche, Dixon, Green, Monahan, Norby, Ritschel, and Rosen
Absent: Director Pringle

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Adopt Resolution No. 2006-29 authorizing the Chief Executive Officer to submit applications and, if awarded, execute grant-related agreements with the State of California Integrated Waste Management Board.



June 5, 2006

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Rubberized Asphalt Incentive Grant for the Garden Grove Freeway (State Route 22) Improvement Project

Overview

The California Integrated Waste Management Board awards grant funds on a competitive basis to promote recycled products derived from waste tires generated within California to reduce environmental impacts associated with their disposal. Authorization is requested to submit grant proposals to help offset the costs associated with using rubberized asphalt for the Garden Grove Freeway (State Route 22) Improvement Project.

Recommendation

Adopt Resolution No. 2006-29 authorizing the Chief Executive Officer to submit applications and, if awarded, execute grant-related agreements with the State of California Integrated Waste Management Board.

Background

The California Integrated Waste Management Board (CIWMB) receives an annual appropriation from the California Tire Recycling Management Fund to administer the Tire Recycling Act approved in 1990. In keeping with this directive, CIWMB administers the Targeted Rubberized Asphalt Concrete (TRAC) Incentive Grant Program to provide funding assistance to local governments in support of rubberized asphalt concrete projects. The TRAC grant program is designed to support the diversion of waste tires from landfills and stockpiles by encouraging the use of products manufactured from California waste tires. Cities, counties, districts, and other local government agencies that fund public works projects are eligible to apply for this grant program.

Discussion

The Garden Grove Freeway (State Route 22) Improvement Project contains several components that call for the implementation of rubberized asphalt concrete (RAC). The design-build contract approved by the Orange County Transportation Authority (OCTA) Board of Directors on August 23, 2004, included the use of RAC for the median shoulder that spans the entire 12-mile length of the project. In addition, on April 10, 2006, the Board approved a variety of supplementary improvements which included a RAC overlay on the westbound State Route 22 (SR-22) travel lanes between Euclid Street and Magnolia Street, and along Trask Avenue between Brookhurst Street and Magnolia Street.

In support of these efforts, staff proposes to submit several grant proposals to the CIWMB for the additional costs associated in utilizing RAC in lieu of conventional pavement on two projects which are part of the SR-22 improvements. The proposals will also pursue funds for the testing, quality control, and quality assurance costs related to the RAC project effort. Staff is currently developing the project scopes and working with CIWMD staff on proposals that can be submitted on a quarterly basis between June 2006 and May 2007. As part of the proposals, OCTA is required to certify, by resolution, authorization to submit applications and enter grant-related agreements should grant funds be awarded. Board Resolution No. 2006-29 is presented for consideration as Attachment A.

Total grant awards are limited to a maximum amount of \$150,000 per jurisdiction. To make the most of this grant funding opportunity, staff will be working with the grant agency and city staff on the possibility of having the City of Garden Grove submit their own grant application for up to \$150,000 for the RAC project on Trask Avenue.

Upon approval, grant proposals will be formally presented to the CIWMB for consideration in statewide competition. Final award recommendations are expected to be announced in October 2006. If successful, grant funds would be made available on a reimbursement basis.

Fiscal Impact

There is no fiscal impact associated with this action. CIWMB has available for statewide competition over \$3.5 million in grant funds for fiscal year 2005-06. The maximum grant award of \$150,000 per jurisdiction does not require a local match contribution.

Summary

The Targeted Rubberized Asphalt Concrete Incentive Grant Program makes available grant funding that may help offset the costs associated with using rubberized asphalt for the Garden Grove Freeway (State Route 22) Improvement Project. Staff requests the approval to submit a grant application through the adoption of Board Resolution No. 2006-29 as required by the grant program.

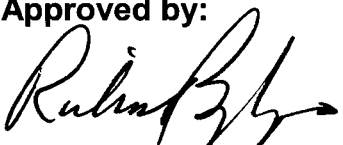
Attachment

- A. Resolution of the Orange County Transportation Authority for the Targeted Rubberized Asphalt Concrete Incentive Grant Program

Prepared by:


Ric Teano
Grant Specialist
(714) 560-5716

Approved by:


Richard J. Bacigalupo
Deputy Chief Executive Office
(714) 560-5901

**ORANGE COUNTY TRANSPORTATION AUTHORITY
RESOLUTION FOR THE TARGETED RUBBERIZED ASPHALT CONCRETE
INCENTIVE GRANT PROGRAM**

No. 2006-29 **WHEREAS**, Public Resources Code Section (PRC) 42872.5, authorizes the California Integrated Waste Management Board (CIWMB) to establish a grant program to fund rubberized asphalt concrete (RAC) projects; and

WHEREAS, the CIWMB has been delegated the responsibility for the administration of the program, setting up necessary procedures governing application by local governments and their subdivisions under the program; and

WHEREAS, said procedures established by the CIWMB require the applicant to certify, by resolution, approval of the application before submission of said application to the State; and

WHEREAS, if awarded a grant, the applicant will enter into an agreement with the State of California for development of the project;

WHEREAS, the Orange County Transportation Authority intends to seek the award of said grant funds from the CIWMB to offset the costs associated with using rubberized asphalt on Orange County Transportation Authority projects

NOW THEREFORE, BE IT RESOLVED that the Orange County Transportation Authority Board of Directors authorizes the Chief Executive Officer or his/her designee, to submit applications to the CIWMB and execute in the name of the Orange County Transportation Authority all necessary applications, contracts, agreements, amendments, and payment requests hereto for the purposes of securing grant funds and to implement and carry out the purposes specified in the grant application.

ADOPTED, SIGNED, AND APPROVED this _____ day of _____, 2006.

AYES:

NOES:

ABSENT:

ATTEST:

Wendy Knowles
Clerk of the Board

Arthur C. Brown, Chairman
Orange County Transportation Authority

Approved as to Form

By: _____
Kennard R. Smart, Jr., Esq.
General Counsel to OCTA



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject Cooperative Agreement with the City of Santa Ana for the Bristol Street Widening Project

Regional Planning and Highways Committee

June 5, 2006

Present: Directors Correa, Cavecche, Dixon, Green, Monahan, Norby, Ritschel, and Rosen
Absent: Director Pringle

Committee Vote

This item was passed by all Committee Members present.

Directors Correa and Norby were not present to vote on this matter.

Committee Recommendation

Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0069 between the Orange County Transportation Authority and the City of Santa Ana, in an amount not to exceed \$125 million, for the partial funding of the Bristol Street Widening project.



June 5, 2006

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Cooperative Agreement with the City of Santa Ana for the Bristol Street Widening Project

Overview

The Orange County Transportation Authority Board of Directors has approved a Bristol Street Widening Project Funding Plan and directed that a cooperative agreement be negotiated with the City of Santa Ana to establish roles, responsibilities, and process for the design, construction, right-of-way acquisition, and partial funding of the Bristol Street Widening project.

Recommendation

Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0069 between the Orange County Transportation Authority and the City of Santa Ana, in an amount not to exceed \$125 million, for the partial funding of the Bristol Street Widening project.

Background

The staff report, Comprehensive Funding Strategy and Policy Direction, approved by the Board of Directors (Board) on November 21, 2005, addresses the need to increase capacity on major arterial streets with countywide significance by approving a Bristol Street Widening Funding Plan (Plan). The Bristol Street Widening project (Project) sponsor, the City of Santa Ana, has estimated the Project cost at \$225 million. The Plan commits the Orange County Transportation Authority (Authority) to seek full funding in the amount of \$225 million and programs \$125 million to the Project with State Gas Tax Subvention funds that are made available to the Authority by the County of Orange as a result of the Orange County bankruptcy recovery plan. The Board directed staff to work with the City of Santa Ana (City) to seek the remaining \$100 million from other sources, including, but not limited to, federal appropriations, state grants, or local funds to assist the City in completing the Project. Finally, the Board directed the Chief Executive Officer to negotiate a

Cooperative Agreement with the City that defines the Authority's responsibilities for Project funding and the City's responsibilities for Project implementation.

Discussion

Staff has completed negotiation of the Board-directed Cooperative Agreement (Agreement). Under the proposed Agreement, the City will act as the lead agency for the design, construction, construction management, and right-of-way acquisitions for the Project. In addition, the City will be responsible for the oversight and coordination of all third-party work.

The Authority's responsibilities will include the administration and oversight of the \$125 million funding required to assist in the financing of right-of-way acquisitions and the design and construction of the Project. Oversight responsibilities include monitoring sufficient to determine if the Project is on schedule and within budget.

The Authority and the City will collaborate with each other during the first \$125 million portion of the Project in seeking the remaining \$100 million in funding required to complete the Project.

Fiscal Impact

The Project was not included in the fiscal year 2005-06 budget. The Project is included in the proposed fiscal year 2006-07 budget, which will be presented to the Board in June 2006. A request will be made to transfer funds from Account 0030-8218, OCTD to Account 0051-6517, Capital Projects.

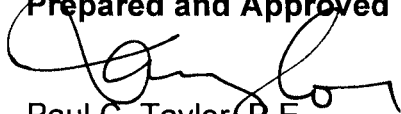
Summary

In order to fulfill an earlier action by the Board for the Plan to partially fund the Project, an Agreement has been prepared and approval is requested to authorize the Chief Executive Officer to execute.

Attachment

None.

Prepared and Approved by:



Paul C. Taylor, P.E.
Executive Director, Planning, Development
and Commuter Services
(714) 560-5431



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Freeway Retrofit Soundwall Program Status Report

Regional Planning and Highways Committee

June 5, 2006

Present: Directors Correa, Cavecche, Dixon, Green, Monahan, Norby, Ritschel, and Rosen
Absent: Director Pringle

Committee Vote

This item was passed by all Committee Members present.

Director Norby was not present to vote on this matter.

Committee Recommendations

- A. Direct staff to continue cooperative efforts with the California Department of Transportation to develop projects in support of the Freeway Retrofit Soundwall Program.
- B. Approve the proposed update to the Freeway Retrofit Soundwall Policy.



June 5, 2006

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Freeway Retrofit Soundwall Program Status Report

Overview

The Orange County Transportation Authority continues to work cooperatively with the California Department of Transportation to address the need for retrofit soundwalls along the Orange County freeway system. Development on the Orange County Freeway Retrofit Soundwall Program continues to advance at ten study locations.

Recommendations

- A. Direct staff to continue cooperative efforts with the California Department of Transportation to develop projects in support of the Freeway Retrofit Soundwall Program.
- B. Approve the proposed update to the Freeway Retrofit Soundwall Policy.

Background

The Orange County Freeway Retrofit Soundwall Program (Soundwall Program) is a voluntary program created by the Orange County Transportation Authority (OCTA) to help address residential neighborhood concerns with general freeway noise. This program is in addition to noise mitigation measures planned and/or constructed as part of freeway construction projects.

Although not required by state or federal rules, the Soundwall Program provides a process for evaluating freeway noise concerns and developing "retrofit" soundwall projects; however, the voluntary nature of this program means that the funding options are limited. For example, this program is ineligible for federal highway funding. Retrofit soundwalls can be funded with limited state highway funding once the project meets state requirements and the state allocates the funding. In addition, OCTA must prioritize the use of

state transportation funds for retrofit soundwalls in conjunction with other highway funding needs.

The development of a freeway retrofit soundwall project is essentially a multi-step process comprised of studies on feasibility and cost effectiveness, ranking for implementation, and ultimately, design and construction. This process is briefly outlined and described in Attachment A. Currently, OCTA has 21 locations in various phases of initial studies (Attachment B) and two projects ready for design and construction (Attachment C). Attachment D depicts the general locations being evaluated under this program.

Discussion

The California Department of Transportation (Caltrans) continues to forward qualifying noise complaint locations to OCTA. These locations are added to the Tier Two list as stipulated by the OCTA Freeway Retrofit Soundwall Policy (Policy). There are 21 locations on the Tier Two list. Technical studies are in progress at 8 locations while studies of 13 other sites are pending availability of funds. The proposed OCTA Fiscal Year (FY) 2006-07 Budget includes \$180,000 to initiate four technical studies for the pending projects.

As noted above, OCTA, in conjunction with Caltrans, is conducting the required technical studies at eight locations. Noise studies have been completed at six of these locations and are underway at two other locations.

One of the locations with a completed noise study is an area along the Riverside Freeway (State Route 91) eastbound, east of Imperial Highway (State Route 90) in Anaheim. According to the study, to achieve maximum noise reduction, soundwalls need to be located on private property; however, the project failed to obtain 100 percent resident approval as required by Caltrans for projects outside state highway right-of-way. As a result, this project will not move forward through the Soundwall Program. Noise mitigation in this area may be revisited as part of a larger project to improve State Route 91 (SR-91).

Two of the locations with completed noise studies, SR-91 west of the Costa Mesa Freeway (State Route 55) in Anaheim, and San Diego Freeway (Interstate 5) north of Junipero Serra Road, are now being evaluated for engineering feasibility. In addition, the FY 2006-07 budget includes \$250,000 to perform the required preliminary engineering for two more projects.

Funding

As part of the 2006 State Transportation Improvement Program (STIP), staff proposed and the Board of Directors (Board) approved, a \$7 million future funding request to the state for design and construction of five additional soundwalls. However, due to the limited State Highway Account funds and a large demand for new highway projects, the California Transportation Commission did not approve funding for the new soundwalls.

Staff also considered recent construction escalation trends to update project costs of the following previously programmed soundwalls:

- Interstate 5 (I-5) southbound, south of El Camino Real
- I-5 northbound, south of Camino De Estrella

Staff was successful in programming \$5.1 million in funding for these projects in the 2006 STIP. Although these soundwalls remained on the STIP, their funding allocations were pushed to outer years (Attachment E). Staff plans to return to the Board with potential options for advancing design and construction of the two soundwalls.

Policy Update

The Policy stipulates that the cost effectiveness criterion be adjusted every other year using the Caltrans Construction Cost Index (CCI) as a guide. The Caltrans Office of the Office Engineer recently issued the 2005 CCI. Staff consulted with Caltrans and used this value to update the reasonableness allowance consistent with procedures outlined in the Caltrans Traffic Noise Analysis Protocol. Therefore, staff recommends the Policy be updated to revise Item 1(B) (Attachment F). Excerpt from Policy:

“Item 1(B). A retrofit noise barrier must be cost effective. The cost effectiveness criterion is established as ~~\$45,000 (2002 dollars)~~ \$62,000 (2006 dollars) per benefited residential unit located immediately adjacent to a freeway (first row residences). This criterion will be adjusted every other year using the California Caltrans Construction Cost Index as a guide.”

By increasing the reasonableness allowance, more retrofit soundwall projects can remain viable despite high escalation trends in construction costs. This update will enable OCTA to continue providing noise mitigation solutions to the residents of Orange County.

Summary

OCTA and Caltrans continue to work together to develop freeway retrofit soundwall projects to address freeway noise at complaint locations throughout Orange County. Significant progress has been made with several projects ready for the next stages of development. A progress report on the status of these projects is presented for review. Staff will return with an update in six months.

Attachments

- A. Orange County Retrofit Soundwall Program Process Overview
- B. Orange County Freeway Retrofit Soundwall Program: Tier Two List
- C. Orange County Freeway Retrofit Soundwall Program: Tier One List
- D. Orange County Freeway Retrofit Soundwall Program: Project Locations
- E. Orange County Freeway Retrofit Soundwall Program: STIP Allocation Schedule
- F. Freeway Retrofit Soundwall Policy (Updated June 12, 2006)

Prepared by:



Grace David, P.E.
Civil Engineer
Project Development
(714) 560-5494

Approved by:

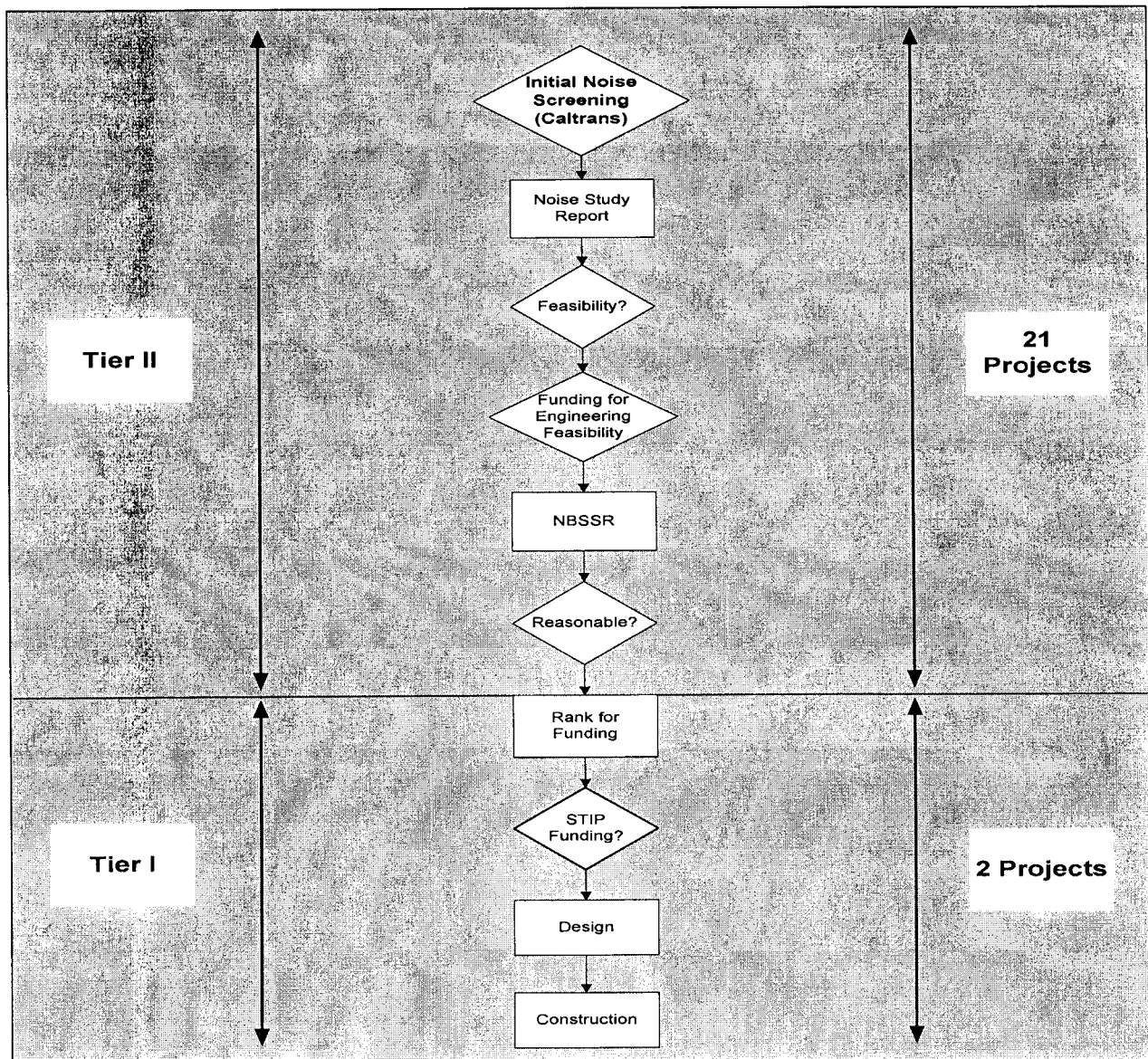


Paul C. Taylor, P.E.
Executive Director
Planning, Development and Commuter
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Orange County Retrofit Soundwall Program Process Overview

The preparation of a freeway retrofit soundwall project for design and construction funding is essentially a three-step process, initiated by a noise screening conducted by the California Department of Transportation (Caltrans). Qualifying sites are placed on a Tier Two list of project areas that are eligible for more extensive noise and engineering analysis.

As projects advance, the Orange County Transportation Authority completes a Noise Study Report to determine if a noise barrier would be feasible at achieving a minimum noise reduction as required by state criteria. If feasible, projects are initially ranked against other soundwalls to develop a priority list for more detailed preliminary engineering study, which will be summarized in a Noise Barrier Scope and Summary Report (NBSSR). If the project meets cost effectiveness criteria and is approved, the site is re-prioritized in a Tier One list of project areas awaiting limited funds available for design and construction.



Orange County Freeway Retrofit Soundwall Program: Tier Two List

Project Description	City	Status ^{1, 2}
San Diego Freeway (Interstate 5) Northbound (NB) North of Junipero Serra Road	San Juan Capistrano	NSR Approved NBSSR in progress
Riverside Freeway (State Route 91) Eastbound (EB) West of Costa Mesa Freeway (State Route 55)	Anaheim	NSR Approved Initiating NBSSR
Santa Ana Freeway (Interstate 5) Northbound (NB) Southeast of Costa Mesa Freeway (State Route 55)	Tustin	NSR Approved Awaiting NBSSR
Riverside Freeway (State Route 91) Westbound (WB) West of Eastern Toll Road (State Route 241)	Anaheim	NSR Approved Awaiting NBSSR
San Diego Freeway (Interstate 5) Northbound (NB) North of Camino De Estrella	Dana Point	NSR Approved Awaiting NBSSR
San Diego Freeway (Interstate 5) Southbound (SB) South of Avenida Calafia	San Clemente	NSR Approved Awaiting NBSSR
San Diego Freeway (Interstate 405) Southbound (SB) South of Bolsa Avenue	Westminster	NSR in progress
Santa Ana Freeway (Interstate 5) Northbound (NB) South of Riverside Freeway (State Route 91)	Fullerton	NSR in progress
San Diego Freeway (Interstate 5) Northbound (NB) South of South El Camino Real	San Clemente	Study pending available funding
San Diego Freeway (Interstate 5) Northbound (NB) North of Avenida Palizada	San Clemente	Study pending available funding
San Diego Freeway (Interstate 405) Southbound (SB) North of Brookhurst Street	Fountain Valley	Study pending available funding
San Diego Freeway (Interstate 405) Northbound (NB) North of Goldenwest Street	Westminster	Study pending available funding
Orange Freeway (State Route 57) Northbound (NB) North of Lincoln Avenue	Anaheim	Study pending available funding
Orange Freeway (State Route 57) Northbound (NB) South of Lincoln Avenue	Anaheim	Study pending available funding
Costa Mesa Freeway (State Route 55) Northbound (NB) North of Garden Grove Freeway (State Route 22)	Orange	Study pending available funding
San Diego Freeway (Interstate 5) Southbound (SB) South of Camino De Estrella	San Clemente	Study pending available funding
San Diego Freeway (Interstate 5) Northbound (NB) North of Avenida Vista Hermosa	San Clemente	Study pending available funding
San Diego Freeway (Interstate 405) Northbound (NB) North of Beach Boulevard	Huntington Beach	Study pending available funding
San Diego Freeway (Interstate 405) Northbound (NB) South of Brookhurst Street	Fountain Valley	Study pending available funding
San Diego Freeway (Interstate 5) Northbound (NB) South of Camino Las Ramblas	San Juan Capistrano	Study pending available funding
Artesia Freeway (State Route 91) Eastbound (EB) East of Orangethorpe Avenue	La Palma	Study pending available funding

¹ NSR refers to Noise Study Report² NBSSR refers to Noise Barrier Scope Summary Report

ATTACHMENT C

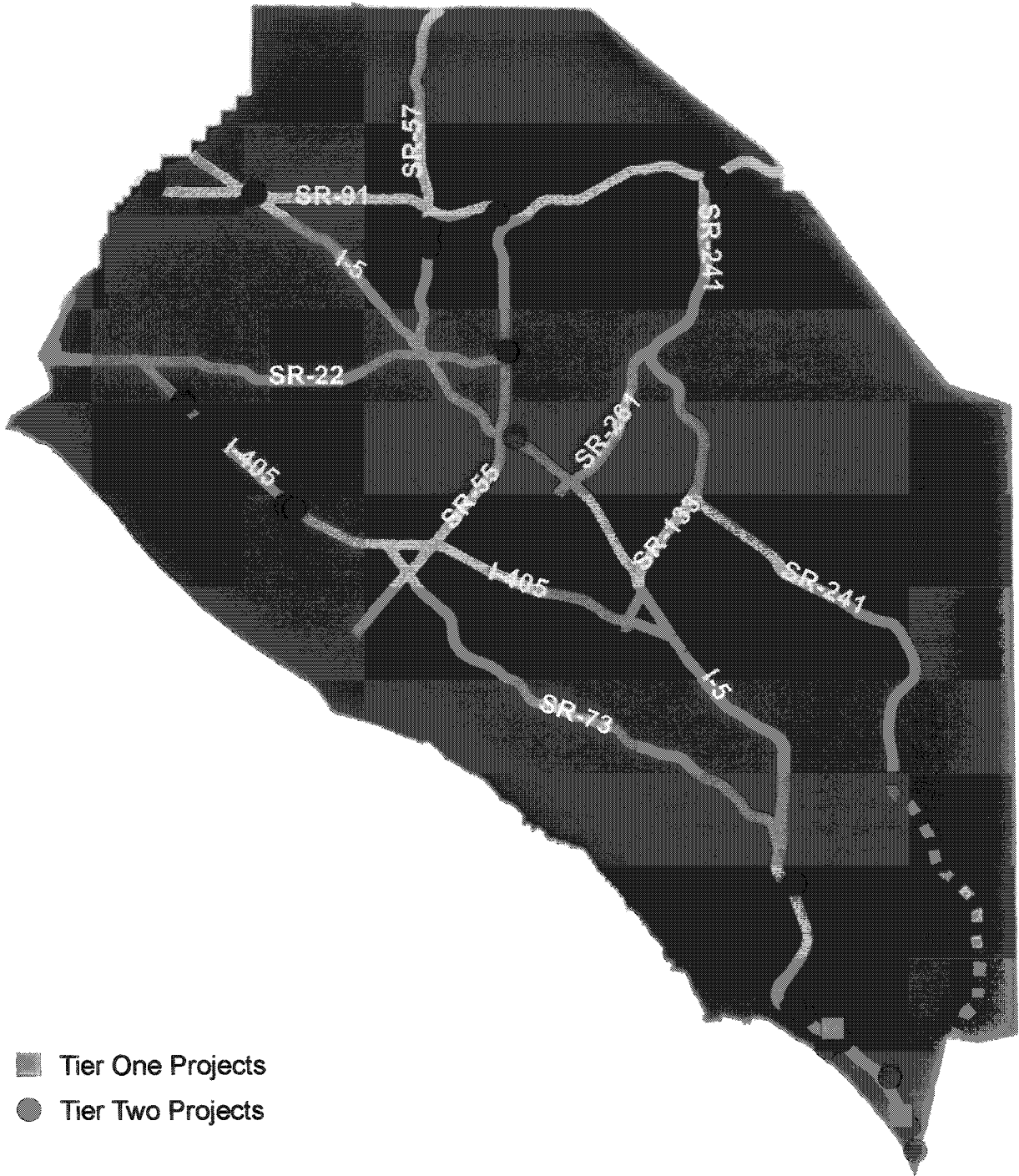
Orange County Freeway Retrofit Soundwall Program: Tier One List

Project Description	City	Status ^{1, 2}
San Diego Freeway (Interstate 5) Southbound (SB) South of El Camino Real	San Clemente	NBSSR Approved
San Diego Freeway (Interstate 5) Northbound (NB) South of Camino De Estrella	San Clemente	NBSSR Approved

¹ NSR refers to Noise Study Report

² NBSSR refers to Noise Barrier Scope Summary Report

Orange County Freeway Retrofit Soundwall Program: Project Locations



ATTACHMENT E

Orange County Freeway Retrofit Soundwall Program: STIP Allocation Schedule

Project Description	Program Fiscal Year	
	Design Phase	Construction Phase
San Diego Freeway (Interstate 5) Southbound (SB) South of El Camino Real	2008-09	2009-10
San Diego Freeway (Interstate 5) Northbound (NB) South of Camino De Estrella	2008-09	2009-10

Freeway Retrofit Soundwall Policy

Updated June 12, 2006

1. Eligibility Requirements
 - A. Qualifying conditions are limited to the residential areas next to existing freeways where noise levels exceed 67 dBA (Leq(h))¹.
 - B. A retrofit noise barrier must be cost effective. The cost effectiveness criterion is established as ~~\$45,000 (2002 dollars)~~ \$62,000 (2006 dollars) per benefited residential unit located immediately adjacent to a freeway (first row of residences). This criterion will be adjusted every other year using the ~~California~~ Caltrans Construction Cost Index as a guide.
 - C. Noise barrier's cost effectiveness calculations should include all residential units (i.e., houses, apartments, and condominiums) immediately located adjacent to a freeway (first row residences) that will benefit by a reduction of 5dBA or more as a result of the noise barrier construction, unless specified otherwise in Item 1(D).
 - D. If a noise barrier fails the cost effectiveness criterion by 10 percent or less, a supplemental evaluation may be conducted to include benefited residential units beyond first row of residences. Cost effectiveness may be achieved if the criterion can be satisfied through a supplemental evaluation.
 - E. Cost effectiveness may be achieved or enhanced through a local funding contribution. The amount of a local funding will be used to reduce the project cost².
 - F. A retrofit noise barrier must meet minimum state and federal standards and considered cost effective in order to be added to the Tier One project list.

¹ Measured as the energy-average of the A-weighted sound levels occurring during a one hour period, dBA, Leq(h).

² Project costs are defined as all items necessary for construction according to the Caltrans Traffic Noise Analysis Protocol and Appendix F of the Caltrans Project Development Procedures Manual.

2. Ineligible Projects

- A. Noise barriers identified as part of an environmental document for noise abatement purposes for highway improvement or development projects will not be eligible as a retrofit noise barrier.
- B. Noise impacts resulting from rail or from sources other than a freeway or state route will not be considered under this program.
- C. Non-residential areas will not be considered under this program.
- D. Projects that do not meet the cost effectiveness criterion will not be considered under this program.

3. Eligible Expenditures

- A. Only project features directly attributable to a retrofit noise barrier are eligible for funding. Acceptable project features include drainage modification, earthwork, safety treatments, miscellaneous asphalt paving, landscaping, traffic control, and right of way acquisition that is directly related to and needed for proper installation of the noise barrier.
- B. Support costs (development of final engineering plans, environmental clearance, right of way appraisal, construction management) are eligible for funding. Inappropriate project features include maintenance, upgrades, or enhancements to the adjacent residence or roadway, roadway slopes, or roadway features.
- C. OCTA reserves the right to fund more cost effective noise mitigation alternatives.

4. Noise Barrier Requests

- A. Caltrans will maintain a Request Log that documents all future requests for noise barriers and field measurements. Caltrans will investigate on a first-come basis all future requests contained in the Request Log.
- B. Caltrans will notify the requestor, local jurisdiction, and OCTA regarding the findings of the Initial Assessment.

5. Noise Barrier Scope Summary Report (NBSSR)
 - A. All NBSSRs will include noise studies and Priority Index calculations and be prepared according to Appendix F of the Caltrans Project Development Procedures Manual.
 - B. Caltrans is responsible for oversight, review, and approval of NBSSRs for compliance with state guidelines as defined through cooperative agreements.
 - C. All NBSSRs must address long-term maintenance strategies and include alternative mitigation.

6. Priority Index Calculation

- A. The Priority Index (PI) number is used for ranking Tier One projects and is calculated using the following formula.

$$PI = (NL-67)^2 * AR * LU / \text{Cost (in \$1,000)}$$

NL: Is the average of the field-measured noise levels, dBA, Leq(h) measured during the noisiest hour of the day.

AR: Is the average reduction in noise levels that the proposed noise barrier will achieve. The 67dBA, Leq(h), is a goal for achievement, but is not mandatory. However, any noise barrier considered under this program must provide a minimum of 5 dBA noise reduction.

LU: Is the number of residential units immediately adjacent to the freeway (i.e., first line receivers) that will receive a minimum of 5 dBA noise reduction with the proposed noise barrier.

Cost: The noise barrier cost in \$1,000's includes all items necessary for construction according to the Caltrans Traffic Noise Analysis Protocol and Appendix F of the Caltrans Project Development Procedures Manual.

- B. For projects that include noise barriers at multiple locations, the overall project's PI is calculated independently for each location. The PI for the combined project is calculated using a weighted average method, with the weighting based on the number of residential units at each location.
 - C. For projects on the Tier Two list, a preliminary PI will be calculated using project costs as estimated in the Noise Study Report.

7. Priority Index (PI) Enhancements

- A. An added factor in determining priority is the age of residential units immediately adjacent to the freeway and whether the units were constructed prior to the opening of the freeway segment. The NBSSR must provide documentation of the date of the structure and determine the percentage of residential units that predate the applicable segment of the freeway. PI calculated by the above formula is enhanced by an amount equal to the actual percentage of residential units that were built prior to the opening date of the freeway segment. For example, if the PI for a noise barrier is calculated to be 10.00 and the current qualifying residential unit percentage is 52.5 percent, then the priority index is adjusted to 62.5.
- B. Another factor that may enhance priority is the amount of funds contributed from a local jurisdiction. The PI of the project will be increased by an amount equal to the actual percentage of local funding contributed towards the project cost. Each percentage of cost equates to one PI point. For example, if a local jurisdiction contributes 30% to the project cost, the PI is increased by 30 points. Local contributions to all phases of the project will be considered in PI enhancement including NBSSRs, environmental documentation and design. The project cost used for determining the level of contribution is the same as for determining the PI. Resolution of the city council demonstrates a local contribution.
- C. A noise barrier may qualify for both types of priority enhancements.
- D. OCTA reserves the right to design, construct and/or coordinate improvements with other programmed projects (including safety barriers) to minimize construction impacts to the community, maximize cost effectiveness, and ensure the timely delivery of projects.

8. Project Lists

- A. Caltrans will perform field noise measurements as needed.
- B. All projects that exceed 67 dBA move to the Tier Two project list.
- C. OCTA will maintain a two-tiered list of potential freeway retrofit soundwall projects as follows:
 - Tier Two Projects: Proposed noise barriers awaiting NBSSRs.
 - Tier One Projects: Proposed noise barriers with approved NBSSRs.

- D. Future projects identified in Tier Two will be listed according to date of complaint. NBSSRs will be completed by OCTA in rank order according to their preliminary PI.
- E. A proposed project will advance to Tier One once the NBSSR is approved by Caltrans. Tier One projects will be identified and funded in rank order according to their PI. Proposed noise barriers shall, whenever possible, be coordinated with projects currently programmed in the Regional Transportation Improvement Program (RTIP). OCTA reserves the right to determine the phasing of projects.

9. Fund Allocation

- A. Funds will be made available through the State Transportation Improvement Program (STIP) or other eligible funds to develop and construct approved retrofit noise barriers. STIP funds are subject to allocation by the California Transportation Commission.
- B. Funds will be allocated to noise barrier(s) with the highest Priority Index number as determined by the Noise Barrier Scope Summary Report (NBSSR). A two-tiered project list will be maintained consisting of Tier One and Tier Two projects. Funds will only be allocated to Tier One projects.
- C. To accelerate the study process, local jurisdictions may elect to fund and complete their own NBSSRs.



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board ^{WK}
Subject: Amendment to Agreements for On-Call Noise Barrier Consultants for the Orange County Freeway Retrofit Soundwall Program

Regional Planning and Highways Committee

June 5, 2006

Present: Directors Correa, Cavecche, Dixon, Green, Monahan, Norby, Ritschel, and Rosen
Absent: Director Pringle

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreements C-2-0522, C-2-0778, C-2-0779, C-2-0780, C-2-0781, and C-2-0783 between the Orange County Transportation Authority and Parsons Engineering Science, Inc., Parsons Brinckerhoff Quade & Douglas, Inc., LSA Associates, Inc., Washington Group International, Inc., Willdan, and Tetra Tech, Inc., to increase the maximum obligation by \$430,000, to a total amount not to exceed \$1,280,000, for noise barrier consultant support services.



June 5, 2006

To: Regional Planning and Highways Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Amendment to Agreements for On-Call Noise Barrier Consultants for the Orange County Freeway Retrofit Soundwall Program

Overview

On July 8, 2002, the Board of Directors approved agreements with six firms to provide on-call consultant services to study potential retrofit noise barriers. All of the firms were retained in accordance with the Orange County Transportation Authority procurement procedures for professional and technical services. Board of Directors action is required to increase the total funding ceiling for these agreements to add the budgeted amounts for fiscal year 2006-07.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreements C-2-0522, C-2-0778, C-2-0779, C-2-0780, C-2-0781, and C-2-0783 between the Orange County Transportation Authority and Parsons Engineering Science, Inc., Parsons Brinckerhoff Quade & Douglas, Inc., LSA Associates, Inc., Washington Group International, Inc., Willdan, and Tetra Tech, Inc., to increase the maximum obligation by \$430,000, to a total amount not to exceed \$1,280,000, for noise barrier consultant support services.

Background

The Orange County Freeway Retrofit Soundwall Program (Soundwall Program) is a voluntary program created by the Orange County Transportation Authority (OCTA) to address noise concerns from residential neighborhoods next to freeways. Current staffing levels require supplemental consultant support services to adequately analyze technical issues and develop soundwall projects in a timely manner. The types of project development services include completion of Noise Study Report (NSR) and Noise Barrier Scope Summary Report (NBSSR) documents. Work assignments are issued through competitive contract task orders, as projects are identified.

On July 8, 2002, the Board of Directors approved agreements for on-call noise barrier consultant services with the six firms listed in Attachment A, under the concept of a generalized master agreement. This framework has worked well during the past four years in obtaining specialized expertise and balancing workload with current staff resources. Additionally, pre-qualifying a list of noise barrier consultant firms and issuing work on a task order basis has significantly reduced the cost of procuring supplemental consultant services.

Discussion

The original procurement was handled in accordance with the OCTA procedures for professional and technical services. The original agreements were awarded on a competitive basis and appropriated \$850,000 in fiscal years 2002-03 and 2003-04. Since that time, two option years have been exercised with no increase in total amount. To date, \$792,565 in funds have been encumbered through contract task orders. This fiscal year funding for these agreements will be used to complete four NSR and two NBSSR documents in support of the Soundwall Program.

The proposed amendment, which is the third amendment to the subject agreements, will provide sufficient contracting authority to continue the current level of noise barrier support services. Amendment No. 3 will increase the total maximum obligation (contract ceiling amount) by \$430,000. Including this Amendment No. 3, the total agreement amount will be \$1,280,000.

Fiscal Impact

The amount of \$430,000 described in Amendment No. 3 to Agreements C-2-0522, C-2-0778, C-2-0779, C-2-0780, C-2-0781, and C-2-0783 was approved in OCTA's Fiscal Year 2006-07 Budget, Programming, Development, and Commuter Services Department, under accounts 1537-7519-A0001-D76 (\$250,000) and 1537-7519-A0001-D79 (\$180,000), for a total budgeted amount of \$430,000.

Summary

Based on the material provided, staff recommends approval of Amendment No. 3 to identified agreements with six, pre-qualified consultant firms to increase the maximum obligation to an amount not to exceed \$1,280,000.

Attachment

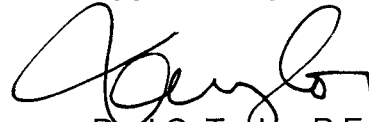
- A. On-Call Noise Barrier Consultant Services Fact Sheet

Prepared by:



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Civil Engineer
Project Development
(714) 560-5494

Approved by:



Paul C. Taylor, P.E.
Executive Director
Planning, Development and Commuter
Services
(714) 560-5431

**On-Call Noise Barrier Consultant Services
Fact Sheet**

Project Description: On-Call Noise Barrier Consultants Services for the Orange County Freeway Retrofit Soundwall Program. Agreements were issued with the following firms:

Agreements	Firm Names
C-2-0522	Parsons Engineering Science, Inc., Pasadena
C-2-0778	Parsons Brinckerhoff Quade & Douglas, Inc., Orange
C-2-0779	LSA Associates, Inc., Irvine
C-2-0780	Washington Group International, Inc., Irvine
C-2-0781	Willdan, Anaheim
C-2-0783	Tetra Tech, Inc., Irvine

1. July 8, 2002, the Board of Directors approved agreements with the above listed six firms in the total amount not to exceed \$850,000, for specialized noise barrier consultant services on an on-call basis.
2. Amendment No. 1 exercised the first option year with no increase in total amount.
3. Amendment No. 2 exercised the second option year with no increase in total amount.
4. Amendment No. 3 exercises the third option year in the total amount of \$430,000, pending approval by the Board of Directors.

The total amount appropriated to agreements with the above selected noise barrier consultant firms for the past four fiscal years is \$1,280,000.



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: Wendy Knowles^{WK}, Clerk of the Board
Subject Memorandum of Agreement Regarding Goods Movement

Regional Planning and Highways Committee

June 5, 2006

Present: Directors Correa, Cavecche, Dixon, Green, Monahan, Norby, Ritschel, and Rosen
Absent: Director Pringle

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute a Memorandum of Agreement with other county transportation commissions to collaboratively develop a Southern California goods movement strategy.



June 5, 2006

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Memorandum of Agreement Regarding Goods Movement

Overview

Over a period of months, the chief executive officers of the transportation authorities and commissions in Southern California have discussed the parameters of an agreement where, through a collaborative effort, the goods movement needs in the region could be addressed.

Recommendation

Authorize the Chief Executive Officer to execute a Memorandum of Agreement with other county transportation commissions to collaboratively develop a Southern California goods movement strategy.

Background

On May 16, 2005, the Orange County Transportation Authority (OCTA) Board of Directors authorized staff to continue to monitor and be involved in goods movement at the county, regional, state, and federal levels.

The exponential growth in trade to and from Southern California, particularly from Asia, continues to overwhelm and make demands on the region's transportation network and quality of life. Last year, the ports of Los Angeles and Long Beach, the nation's largest container ports, handled over 14 million Twenty-Foot Equivalent Units (containers). This volume represents 40 percent of the United States container imports and 25 percent of its container exports. It is expected that by 2025, goods movement through those ports will triple.

Currently, there are two goods movement action plans underway that seek to identify the goods movement needs in Southern California. Under the leadership of the California Business Transportation and Housing Agency and the California Environmental Protection Agency, the state is drafting a goods movement action plan. The "Goods Movement Action Phase II Progress

Report: Draft Framework For Action”, identifies future growth, environmental impacts, and proposed mitigation measures. The plan, which must be submitted to the Legislature by January 2007, underscores and identifies an estimated \$48 billion in statewide goods movement needs of which 75 percent (\$36 billion) are in Southern California. In the second draft of the plan, \$180 million was dedicated for the possible completion of the third main track from Fullerton to Los Angeles (Attachment A).

Separately, Southern California transportation agencies have joined in a multi-county goods movement action plan in order to form a consensus for an implementation plan for the region. Scheduled to be completed early next year, the plan will describe and model goods movement growth and trends, identify possible partnerships with the private sector, highlight short-mid-and long-term strategies, as well as identify a list of possible projects to be funded.

Further, with the placement of the \$19.9 billion state transportation infrastructure bond measure on the November ballot, developing a consensus on Southern California projects becomes even more critical so that the region can be well positioned to receive those funds. Orange County could be eligible for state funding for goods movement projects through the following programs created by the infrastructure bond: the Trade Corridors Improvement Fund, Highway-Railroad Crossing Safety Account, State-Local Partnership Program, and Corridor Mobility Improvement Account.

Discussion

In an effort to evaluate, select, plan, manage, and finance strategies for building goods movement projects, a timely issue to consider is the forum and framework which will bring those projects to fruition. The proposed Memorandum of Agreement (MOA) represents an initial step whereby the transportation agencies in Southern California will commit to a spirit of better inter-county cooperation and coordination through that undertaking. (Examples of recent inter-county cooperation in the region have been the purchase of State Route 91 [SR-91] Toll Lanes, the SR-91 Major Investment Study, and the Riverside Orange Corridor Authority Cooperative Agreement.)

The MOA is also a part of a regional consensus plan whereby transportation agencies within the region have come together to deliver a single message to policymakers in Washington, D.C. and Sacramento underscoring the need for funding goods movement projects. The MOA recognizes the need for regional transportation agencies to eventually form public/private partnerships in order to successfully complete projects. The MOA will position OCTA to be ready when and if funding for goods movement projects becomes available.

The purpose of the three-year, voluntary MOA is to further solidify goods movement policies in Southern California without establishing a new governmental body. While various alternative institutional models were discussed, ranging from “no agency” to a Joint Powers Agreement, to the establishment of a “new agency,” the chief executive officers of the transportation authorities and commissions in the region reached a consensus that a goods movement plan could be developed and implemented in a spirit of cooperation and communication.

The forums for this cooperative effort will include, but not be limited to the Multi-County Goods Movement Action Plan, the monthly meeting of the regional transportation chief executive officers, and the quarterly Regional Transportation Agencies Coalition meetings.

The proposed terms of the MOA are included in Attachment B and are summarized below:

- Collaboratively formulate a goods movement plan in Southern California.
- All agencies designate specific staff to act as the point of contact regarding correspondence and communications.
- Each agency will make a good faith effort to notify all others of any discussions or negotiations with federal, state, private sector, or other transportation agencies on goods movement issues.
- Individual transportation agencies will establish defined regional points of contact for the purposes of negotiations, initiatives, and decision-making.
- All agencies commit to have regular discussions regarding their efforts concerning goods movement issues working through forums such as the Regional Transportation Agencies Coalition meeting, the chief executive officers’ meeting, and the Multi-County Goods Movement Action Plan.
- The intent of the MOA is not to establish a new authority to implement a goods movement plan.
- All agencies must sign the MOA in order for it to take effect, and it may be amended only by written revision, signed by each agency.
- Once established, any agency may, by written notice, cease to be a party to the MOA.
- The MOA will remain in effect for three years from the date of its execution.
- Other agencies involved in goods movement in Southern California may, by amendment, become signatories to the agreement.

Summary

The Southern California transportation authorities and commissions are seeking to undertake a voluntary cooperative effort to formulate a cohesive goods movement plan for the region.

Attachments

- A. Draft 02-17-06 Preliminary Candidate Actions-Summary for Four Corridors
- B. Memorandum of Agreement Among County Transportation Commissions To Collaboratively Develop The Southern California Goods Movement Strategy

Prepared by:



Barry Engelberg
Manager of Special Projects
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Approved by:



Paul Taylor
Executive Director, Planning,
Development and Commuter Services
714-560-5431

DRAFT 02-17-06

PRELIMINARY CANDIDATE ACTIONS – SUMMARY FOR FOUR CORRIDORS

	<p>Immediate Actions Operational Improvements</p>	<p>Short-Term Actions (0-3 years) Infrastructure Projects</p>	<p>Intermediate-Term Actions (4-10 years) Infrastructure Projects</p>	<p>Long-Term Actions (more than 10 yrs) Infrastructure Projects</p>
<p>Infrastructure and Operations</p> <p>Ships</p> <ul style="list-style-type: none"> ➤ Spread out vessel sailings and arrivals in the trans-Pacific trade ➤ Evaluate short- sea shipping – including environmental impacts ➤ Increase “destination loading” on ships from the far east ➤ Finalize ARB ship auxiliary engine rule (i.e., Office of Administrative Law (OAL) review) <p>Ports</p> <ul style="list-style-type: none"> ➤ Operate ports during extended hours ➤ Offer incentives to reduce marine terminal dwell time for containers ➤ Expand labor force at the ports ➤ Implement virtual container yards ➤ Implement incentives to limit container dwell time ➤ Finalize ARB intermodal cargo equipment rule (OAL) <p>Rail</p> <ul style="list-style-type: none"> ➤ Evaluate shuttle train pilot project performance ➤ Utilize more rail for long haul ➤ Finalize ARB intermodal cargo equipment rule (OAL) <p>Trucks</p> <ul style="list-style-type: none"> ➤ Develop regional or national chassis pools ➤ Establish port-wide terminal appointment systems for truckers <p>Other</p> <ul style="list-style-type: none"> ➤ Employ better trade and transportation forecasting ➤ Improve communications of fluctuating demand forecast for labor and equipment among carriers, railroads and terminal operators ➤ Enact public-private partnership legislation ➤ Enact design-build and design sequencing legislation 	<ul style="list-style-type: none"> ➤ Construct Alameda Corridor State Route 47 Expressway (includes Schuyler Heim Bridge replacement) ➤ Conduct Environmental Study, Interstate 710 Corridor Improvements (including dedicated truck lanes) ➤ Replace Gerald Desmond Bridge ➤ Construct BNSF “Southern California International Gateway” Near Dock Facility ➤ Complete Union Pacific Near Dock Intermodal Container Transfer Facility ➤ Construct on-dock rail improvements – POLB* ➤ Construct Alameda Corridor East - grade separations, grade crossing improvements (Burlington Northern, Santa Fe and Union Pacific lines) ➤ Improve rail capacity, including mitigation measures (e.g., completion of BNSF third main track, Fullerton to Los Angeles-\$180 million)* ➤ Construct Hegenberger Road to I-980 operational improvements ➤ Construct I-80/I-680/SR 12 interchange improvements, phase II ➤ Reconstruct 7th Street/Union Pacific Grade Separation ➤ Construct outer harbor intermodal terminal at Port of Oakland ➤ Construct State Route 905 Six-Lane Freeway (from Mexico border/Otay Mesa Port of Entry to Interstate 805) ➤ Improve Central Corridor Line 	<ul style="list-style-type: none"> ➤ Construct on-dock rail improvements – POLB* ➤ Construct on-dock rail improvements – POLA* ➤ Construct Alameda Corridor East -grade separations, grade crossing improvements (Burlington Northern Santa Fe and Union Pacific lines)* ➤ Improve rail capacity, including mitigation measures (e.g., completion of BNSF third main track, Fullerton to Los Angeles-\$180 million)* ➤ Construct truck lanes, SR 14 to Calgrove Blvd. ➤ Construct Colton Crossing BNSF/UP Rail Grade Separation ➤ Construct I-80/I-680/SR 12 Interchange Improvements, Phase III ➤ Construct I-80/I-680/SR 12 Interchange Improvements, Phase IV* ➤ Widen SR 99, 4 to 6 lanes, Goshen to Kingsburg ➤ Widen SR 99,4 to 6 lanes, Prosperity Ave. to Goshen 	<ul style="list-style-type: none"> ➤ Improve rail capacity, including mitigation measures (e.g., completion of BNSF third main track, Fullerton to Los Angeles-\$180 million)* ➤ Construct Interstate 710 Corridor improvements (including dedicated truck lanes) ➤ Construct Interstate 710 Corridor improvements (including dedicated truck lanes) ➤ Construct I-580 Eastbound truck climbing lane ➤ Construct I-580 Westbound truck climbing lane ➤ Construct I-80/I-680/SR 12 Interchange Improvements, Phase IV* 	

* These infrastructure projects appear in more than one time frame due to the complexity and/or scope of the specific project. See the Preliminary Working List of Proposed Projects in Appendix C for more details.

MEMORANDUM OF AGREEMENT
AMONG
COUNTY TRANSPORTATION COMMISSIONS
TO COLLABORATIVELY DEVELOP THE
SOUTHERN CALIFORNIA GOODS MOVEMENT STRATEGY

This Memorandum of Agreement herein referred to as "MOA", is entered into as of _____, 2006 by and among the County Transportation Commissions ("CTCs") of Southern California, namely the Los Angeles County Metropolitan Transportation Authority ("MTA"), Orange County Transportation Authority (OCTA"), Riverside County Transportation Commission ("RCTC"), San Bernardino Associated Governments ("SANBAG"), and the Ventura County Transportation Commission ("VCTC"). Each of the agencies described above (as well as any agencies joining this MOA in the future) shall be collectively referred to herein as the "CTCs".

WHEREAS, the combined ports of Los Angeles and Long Beach are the largest gateway for containerized imports into the United States and the fifth largest port in the world; and the Port of Hueneme is among the nation's leaders in fresh produce and fruit exports and automobile imports; and

WHEREAS, Southern California serves as the principal conduit of goods between the United States and Asia at major cost to its transportation infrastructure, environmental quality and human health, and community livability; and

WHEREAS, goods movement within Southern California comprises an important regional economic opportunity if transportation, environmental health, and community impacts can be remedied; and

WHEREAS, the MTA, OCTA, RCTC, SANBAG, and VCTC have a common interest to address the transportation deficiencies, environmental challenges, and economic opportunities associated with goods movement in and through Southern California; and

WHEREAS, it is envisioned that many of the plans, policies, strategies, and projects to address the challenges and grasp the opportunities afforded by goods movement in Southern California will be multi-county in scope; and

WHEREAS, collaboration and cooperation among the CTCs to develop these goods movement plans, policies, strategies, and projects, and similar collaboration in the areas of public outreach and political advocacy is expected to yield the best results for Southern California as a whole.

NOW, THEREFORE, BE IT RESOLVED that:

1. A collaborative effort will be undertaken by the CTCs in order to prioritize and phase the strategies, projects, and measures needed to address transportation, environmental, and community issues associated with goods movement within and through Southern California.

2. Each CTC shall designate a lead staff for all communications and correspondence among the CTCs pursuant to this MOU.
3. Each CTC shall make a good faith effort to notify other CTCs regarding discussions or negotiations on regional goods movement issues with federal, state, private sector, or other CTC representatives.
4. The CTCs recognize the benefits of having defined regional points of contact, and will establish such as needed for various goods movement negotiations, initiatives, and decision-making.
5. The CTCs commit to have regular discussions regarding their efforts in regional goods movement as part of the quarterly Regional Transportation Agencies Coalition meetings, monthly meetings among the Executive Directors of the CTCs, and through the Multi-County Goods Movement Action Plan.
6. It is not the intent of this agreement to establish new authority(ies) for sponsorship or delivery of transportation improvements beyond authorities already granted by state law absent possible future agreements defining a regional goods movement formal structure, as described herein.
7. This MOA will take effect upon signing by all the CTCs, and may be amended only by written revision, signed by all the CTCs.
8. This agreement will remain in effect for a period of three years from the date of execution.
9. Other public agencies responsible for aspects of goods movement in Southern California may become signatories to this agreement by amendment to this agreement.
10. Any CTC may cease to be a party to this agreement by providing written notice of such termination to all other signatories

IN WITNESS WHEREOF, the parties have signed this MOA on the dates set forth below their signatures.

MTA

OCTA

RCTC

SANBAG

VCTC



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Fiscal Year 2005-06 Third Quarter Budget Status Report

Finance and Administration Committee

May 24, 2006

Present: Directors Campbell, Cavecche, Correa, Duvall, and Wilson
Absent: Director Pringle

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file as an information item.



May 24, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Fiscal Year 2005-06 Third Quarter Budget Status Report

Overview

The Orange County Transportation Authority's staff has implemented the fiscal year 2005-06 budget. This report summarizes the material variances between the budget plan and actual revenues and expenses.

Recommendation

Receive and file as an information item.

Background

The Board of Directors (Board) approved the Orange County Transportation Authority (OCTA) Fiscal Year (FY) 2005-06 Budget on June 13, 2005. The approved budget itemizes the anticipated revenues and expenses necessary to meet OCTA's transportation programs and service commitments. The OCTA budget is a compilation of individual budgets for each of OCTA's funds, including the General Fund; three enterprise funds Orange County Transit District (OCTD), Orange County Taxicab Administration Program (OCTAP), and 91 Toll Road, eight special revenue funds; two capital project funds; one debt service fund; three trust funds; and five internal service funds.

The approved revenue budget is \$681.8 million comprised of \$612.3 million in current year revenues and \$69.5 million in use of reserves. The approved expenditure budget is \$681.8 million with \$669.7 million of current year expenditures and \$12.1 million of designations.

This report will analyze material variances between the current year-to-date budget and actuals for both revenues and expenditures.

Through the third quarter, there have been seven Board approved budget amendments. A summary of each amendment follows:

Fiscal Year 2005-06 Amended Budget

In Thousands	Description	Total
6/13/2005	Approved Budget	\$ 681,816
6/27/2005	Rapid Transit Development - Project Management Consultant	750
6/27/2005	Santa Ana Freeway Oso Parkway Chokepoint Improvement Project	1,633
7/25/2005	Purchase of 50 Compressed Natural Gas 40-ft Buses	21,409
7/25/2005	Improve Fueling System on Liquefied Natural Gas Buses	1,120
2/27/2006	Santa Ana Freeway Gateway Project	2,000
3/27/2006	91 Express Lanes Office Expansion	10
3/27/2006	Commuter Rail:	14,582
	-Extended Services (\$215)	
	-52 New Trailer Cars (\$10,613)	
	-Santa Ana Second Main Track Project (\$3,453)	
	-Railroad Capital Improvements (\$301)	
3/31/2006	Total Amended Budget	\$ 723,320

Discussion

Staff monitors and analyzes current year revenues and expenditures versus the amended budget. This report will provide budget-to-actual explanations for any material variances.

Staffing

A staffing plan of 1,909 full-time equivalent (FTE) positions was approved in the FY 2005-06 budget. The average filled positions through the end of March 2006 were 1,852. In the third quarter, the overall vacancy rate for OCTA was 3.1 percent, while administrative and union experienced a 7.8 and 1.6 percent rate, respectively. A breakdown of the vacancy rate by job category is provided on the following page.

Full-Time Equivalent Average Vacancy Rate

	Budget	Filled	Vacancy Rate
Coach Operators	1,125	1,110	1.4%
Maintenance Union	256	250	2.4%
Transportation Communications International Union	45	44	2.3%
Union Subtotal	1,426	1,404	1.6%
Direct Transit Operations Support	204	198	3.0%
Other Administrative	279	250	11.6%
Administrative Subtotal	483	448	7.8%
Total Authority	1,909	1,852	3.1%

Revenue Summary

Year-to-date, OCTA has augmented its revenue budget by \$38.2 million in new funds and \$3.3 million in reserve funds. As the table below indicates, the amended current year revenue budget for FY 2005-06 is \$723.3 million. This report focuses on major variances between budgeted and actual year-to-date revenues and expenditures for the third quarter.

Fiscal Year 2005-06 Amended Revenue Budget

In Thousands	Current Year	Reserves	Other Sources	Total
Approved Budget	\$612,357	\$ 69,459		\$681,816
Rapid Transit Development - Project Management Consultant		750		750
Santa Ana Freeway Oso Parkway Chokepoint Improvement Project ¹			1,633	1,633
Purchase of 50 Compressed Natural Gas 40 foot Buses ²		2,456	18,953	21,409
Improve Fueling System on Liquefied Natural Gas Buses ³		120	1,000	1,120
Santa Ana Freeway Gateway Project			2,000	2,000
91 Express Lanes Office Expansion			10	10
Commuter Rail:			14,582	14,582
-Extended Services (\$215)				
-52 New Trailer Cars (\$10,613) ²				
-Santa Ana Second Main Track Project (\$3,453)				
-Railroad Capital Improvements (\$301)				
Total Amended Budget	\$612,357	\$ 72,785	\$ 38,178	\$723,320

Note:

- 1 - State Transit Improvement Program
- 2 - Congestion Mitigation Air Quality
- 3 - Air Quality Management District

The year-to-date revenue of \$497.2 million is 16.4 percent over the amended budget of \$427.3 million. Variances at the summary object level are presented below.

Third Quarter Revenue Summary

In Thousands

Description	Year to Date Budget	Year to Date Actual	Variance	%
Interest Income	22,322	17,137	(5,185)	-23.2%
Farebox Revenue	40,036	37,536	(2,500)	-6.2%
State Grants	1,633	(365)	(1,997)	-122.3%
Advertising Revenue	2,925	1,438	(1,487)	-50.8%
Department of Motor Vehicles Fees Revenue	3,713	2,966	(747)	-20.1%
Gas Tax Exchange	17,250	17,061	(189)	-1.1%
Fees & Fines	138	90	(48)	-34.8%
Federal Operating Grants	-	101	101	100.0%
Rental Income	746	875	128	17.2%
Property Tax Revenue	5,977	6,171	195	3.3%
Sales Tax Revenue	279,783	292,769	12,986	4.6%
Miscellaneous	3,485	5,810	2,324	66.7%
Toll Road Revenue	24,631	31,973	7,342	29.8%
Federal Capital Grants	22,060	42,072	20,012	90.7%
Other Financial Assistance	2,570	41,533	38,963	1516.0%
Total Revenue	427,269	497,168	69,899	16.4%

*(under) / over

Interest Income: The third quarter actuals of \$17.1 million are \$5.2 below the budgeted amount of \$22.3 million. The Merrill Lynch 1 to 3 year treasury benchmark had a total return of 2.32 percent during the previous 12 months, approximately 68 basis points below the budgeted rate of 3 percent. The variance between the actual and the budgeted amount was largely attributable to market price fluctuations in the current rising interest rate environment. As market price volatility becomes less prevalent and yields remain steady, the OCTA's interest earnings are forecasted to move closer to budgeted returns.

Farebox Revenue: There is a variance of \$2.5 million through March or 6.2 percent below the budgeted amount of \$40 million. This variance is primarily due to a shift in ridership behavior, where customers are purchasing fewer full-fares and utilizing monthly and other pre-paid passes to maximize their investment.

State Grants: Revenue in this category is received on a reimbursement of expense basis. Revenues budgeted here can be received in future years rather than the year in which they are reflected in the budget. On the other hand, reimbursements budgeted in prior years can be received in the current year. This will lead to a variance between budgeted revenues and actual cash receipts.

As a result, year-to-date revenue of negative \$0.4 million is 122.3 percent below the amended budget of \$1.6 million. The negative revenue amount in this case is caused by an accrual reversal for the San Diego Freeway (Interstate 405) Major Investment Study (\$0.1 million), Santa Ana Freeway (Interstate 5)/Costa Mesa Freeway (State Route 55) Project Report (\$0.1 million), and the Riverside Freeway (State Route 91) Project Development Support (\$0.2 million). The remaining variance of \$1.2 million is a result of a budget amendment for the Oso Parkway Chokepoint Improvement, which is pending State Transit Improvement Program (STIP) dollars. Staff will seek reimbursement for this project during the fourth quarter.

Advertising Revenue: Year-to-date actuals of \$1.4 million are 50.8 percent below the amended budget of \$2.9 million. The variance is due to the effective starting date for the new advertising contract, which began September 1. Future revenue receipts are expected to be one month in arrears with reconciliations made at year-end. OCTA will receive a minimum guarantee of \$3.9 million for the year.

Sales Tax Revenue: Third quarter actuals of \$292.8 million were 4.6 percent or \$13 million over the budget of \$279.8 million for the same period. The primary reasons for this variance are due to overruns in the State Transit Assistance Fund (STAF) at \$1.8 million, Local Transportation Authority (LTA) Fund at \$3.2 million, and the Local Transportation Fund (LTF) at \$7.9 million.

Miscellaneous: Year-to-date actuals of a \$5.8 million are \$2.3 million above the amended budget of \$3.5 million. This variance is due to receiving \$6.2 million from the Anaheim Redevelopment Agency for the down payment and second installment principal payment related to the sale of land. The variance is partially offset by a negative \$1.8 million (accrual reversal) for the Freeway Service Patrol (FSP) State Allocation revenue, which supports the program. The receipt of these FSP revenues has been temporarily delayed pending the state's approval of OCTA's FSP invoices, which is expected by the fourth quarter.

Toll Road Revenue: The third quarter actuals of \$32 million were 29.8 percent greater than the amended budget of \$24.6 million. This variance is due to a combination of factors: The revenue forecast for the toll revenue was developed utilizing a conservative approach by taking 90 percent of Vollmer's forecast. In addition, traffic volume has also surpassed the forecast at a rate of 13.3 percent (\$2 million). Furthermore, OCTA also receives revenues from the Transportation Corridor Agencies (TCA) associated with the interoperating agreement. As TCA customers utilize the 91 Toll Road, OCTA bills the TCA accordingly (\$2.5 million). There was also an increase in the monthly minimum fee account due to greater transponder sales, as well as more violation processing fees (\$2.7 million). Transponders in circulation increased from 172,220 in FY 2005 to 183,374 in FY 2005-06.

Note: Revenues in the following two categories are received on a reimbursement basis. Revenues budgeted here can be received in future years rather than the year in which they are reflected in the budget. In addition, reimbursements budgeted in a prior year can be received in the current year. This will lead to a variance between budgeted revenues and actual cash receipts. Revenues received include reimbursements from the Federal Transit Administration (FTA), California Department of Transportation (Caltrans), cities, and other agencies.

Federal Capital Grants: Year-to-date actuals of \$42.1 million were 90.7 percent over the budget of \$22.1 million. The majority of the revenues received through the third quarter are from Congestion Mitigation Air Quality (CMAQ) funds (\$38.3 million) for the Garden Grove Freeway (State Route 22) Design Build project. The balance of these revenue receipts are associated with prior year FTA grants. For FY 2006, federal revenues are yet to be received due to the timing of the following projects: Bus Rapid Transit development, the construction of the Buena Park Rail Station, revenue vehicles, and American with Disabilities Act (ADA) bus stop modifications and debt service.

Other Financial Assistance: Year-to-date actuals of \$41.5 million are \$39 million over the amended budget of \$2.6 million. The primary reason for this variance is caused by actual reimbursements from Caltrans for the State Route 22 project, which was encumbered last fiscal year.

Expense Summary

During FY 2005-06, the expenditure budget was increased by \$41.5 million to accommodate seven projects, the purchase of 50 compressed natural gas 40-foot buses (\$21.4 million), improve the fueling system on the liquefied natural gas (LNG) buses (\$1.1 million), additional funding required for the Interstate 5 (I-5) Oso Parkway chokepoint improvement project (\$1.6 million), the Santa Ana Freeway Gateway project (\$2 million) and a project management consultant for Bus Rapid Transit development (\$0.8 million). In addition, OCTA is implementing the initial stages of the Metrolink service expansion with the extension of weekend service (\$0.2 million), 52 new trailer cars (\$10.6 million), a new main track in Santa Ana (\$3.5 million), and railroad capital improvements (\$0.3 million). The amended current year expenditure budget of \$723.3 million is presented below.

Fiscal Year 2005-06 Amended Expenditure Budget

In Thousands	Expenditures		
	Current Year	Designations	Total
Approved Budget	\$ 669,729	\$ 12,087	\$ 681,816
Amendments	41,504	-	41,504
Total Amended Budget	\$ 711,233	\$ 12,087	\$ 723,320

The third quarter expenditure actuals of \$413.7 million represent a 32.5 percent under-run in comparison to the budget of \$548.1 million. Variances at the object summary level are presented in the table on the following page.

Third Quarter Expense Summary

In Thousands

Description	Budget	Actual	Variance	%
Salaries				
Compensated Absences	7,946	7,303	643	8.8%
Salaries	64,738	63,671	1,068	1.7%
Total Salaries	72,684	70,974	1,711	2.4%
Benefits				
Pensions	10,416	11,604	(1,188)	-10.2%
Insurances	1,614	1,523	91	6.0%
Other Benefits	3,186	2,742	444	16.2%
Total Benefits	15,216	15,869	(653)	-4.1%
Total Salaries & Benefits	87,900	86,843	1,057	1.2%
Services and Supplies				
Fuels & Lubricants	7,922	12,484	(4,562)	-36.5%
Miscellaneous Expense	886	925	(39)	-4.2%
Leases	3,705	3,690	15	0.4%
Travel, Training, Mileage	445	351	94	26.7%
Debt Service	96,522	96,396	126	0.1%
Utilities	1,703	1,369	334	24.4%
Insurance Claims Expense	24,730	24,355	375	1.5%
Taxes	687	191	496	260.2%
Advertising Fees	784	279	505	180.8%
Tires & Tubes	1,732	1,199	533	44.4%
Maintenance Expense	7,424	6,776	648	9.6%
Other Materials & Supplies	2,224	1,317	907	68.9%
Contract Transportation	33,812	32,828	983	3.0%
Office Expense	3,562	2,088	1,474	70.6%
Outside Services	24,663	18,801	5,862	31.2%
Professional Services	44,595	33,654	10,941	32.5%
Contributions to Other Agencies	114,153	64,521	49,632	76.9%
Total Services & Supplies	369,549	301,224	68,324	22.7%
Capital and Fixed Assets				
Capital Expense-Local Funding	28	-	28	100.0%
Construction in Progress	21,163	14,831	6,331	42.7%
Work In Process	21,773	8,474	13,298	156.9%
Capital Expense-Grant Funding	47,644	2,284	45,359	1985.7%
Total Capital and Fixed Assets	90,607	25,590	65,017	254.1%
Total All Expenses	548,056	413,657	134,399	32.5%

*under / (over)

Salaries and Benefits

Third quarter actuals of \$86.8 million were 1.2 percent or \$1.1 million under the amended budget of \$87.9 million. The variance is primarily due to under-runs in salaries (\$1.7 million). The under-runs are due to the actual administrative vacancy rate (7.8 percent) running higher than the budgeted rate of 3 percent. This variance is partially offset by pension expenses running greater than budgeted (\$1.2 million).

Pension costs were higher partially due to the change in the Orange County Retirement Systems (OCERS) Additional Retiree Benefit Account (ARBA) rate, which rose from 0.5 percent to 1 percent, which equates to \$0.7 million. The new rate took effect July 1, 2005, which was subsequent to the budget development. As a result, a variance is expected throughout the FY 2005-06. Furthermore, the Pension Teamsters Maintenance expense was budgeted lower than actually experienced, which led to part of the variance (\$0.5 million) as well.

Services and Supplies

Third quarter services and supplies actuals of \$301.2 million are 22.7 percent below the amended budget of \$369.5 million. Detailed explanations for each of these sub-categories are provided below.

Fuels and Lubricants: Year-to-date actuals of \$12.5 million are over the amended budget of \$7.9 million by 36.5 percent. The primary reason for this over-run is due to the price of diesel fuel used to operate the OCTA ACCESS vehicles. Also, fuel expense was not budgeted in FY 2006 in anticipation of the cost being rolled into the new ACCESS procurement. In FY 2005-06, diesel fuel was budgeted at \$1.50 per gallon, while actuals through March are running at \$2.09 per gallon. As a result, there is a \$2.2 million variance for diesel cost related to ACCESS and a \$0.6 million variance related to fixed route. LNG fuel costs are above the budget by \$1.6 million as a result of a renegotiated contract completed in November 2005. In FY 2005-06, LNG was budgeted at \$0.53 and the current rate is \$1.30 per gallon. This contract is based on index pricing, which will fluctuate monthly based on market conditions similar to diesel prices.

Office Expense: Third quarter actuals of \$2.1 million are under the amended budget of \$3.6 million by \$1.5 million. The under-run is due to several items. There is an under-run in software due to the delay in purchasing the Trapeze Software (\$0.3 million) which will be utilized for the mobile data terminals in the

paratransit vehicles. This project has been delayed until the fourth quarter due to the extension of the pilot program. Postage for the 91 Express Lanes has contributed to this variance due to the fact that this cost has been absorbed into the new contract with Coufiroute (\$0.3 million). Also, the invoicing for courier services in Marketing is currently one month in arrears as well as the cancelled printing of the Measure M Annual Report (\$0.2 million). Personal computer workstation replacements/office supplies have not been required as often as anticipated (\$0.2 million).

Outside Services: Third quarter actuals of \$18.8 million were under the amended budget of \$24.7 million by \$5.9 million or 31.2 percent. There is a variance of \$1.5 million in the Metrolink operating subsidy to Southern California Regional Rail Authority (SCRRA). The reason for this variance is due to OCTA paying out 60 percent of the subsidy during the first three quarters whereas; the budget is assuming 75 percent payment. The remaining 40 percent will be paid in the fourth quarter.

In addition, there is a variance in equipment repair/maintenance related to Call Box Upgrades (\$0.8 million). The variance is due to a scheduling conflict with the contractor but the project will be completed by July 1. Also, a variance of \$0.2 million is due to the automatic vehicle locator which will be expended in the fourth quarter.

Equipment repair/maintenance and software maintenance are coming in at \$0.6 million below the budgeted amount of \$1.7 million. These services are budgeted on an as needed service. A portion of this is also emergency service that may not be utilized.

There is also a variance in equipment repair/maintenance within Bus Operations Department (\$0.2 million). The majority of this variance is due to the bus stop maintenance payment (\$0.1 million) being one month in arrears. The remaining variance (\$0.1 million) is spread among various maintenance services. In addition, Transit Security is under running the budgeted amount by \$1 million due to vacant positions.

Architectural/engineering design services in the Engineering Department has not been used as anticipated (\$0.3 million). There is currently a Request for Proposal (RFP) in place and the total budget is anticipated to be incurred by the end of the fiscal year.

Furthermore, revenue vehicle maintenance costs associated with the paratransit buses are \$0.5 million below the budget. The reason for this

variance is that one third of the fleet has been under warranty for the majority of the fiscal year.

Professional Services: Third quarter actuals of \$33.7 million are under the amended budget of \$44.6 million by \$10.9 million. The variances can be attributed to underruns in: the General Fund (\$4.7 million) the Orange County Transit District (OCTD) (\$1.1 million), the LTA Fund (\$0.8 million), the 91 Express Lanes Fund (\$0.6 million) and the Orange County Unified Transportation Trust (OCUTT) Fund (\$1 million). Detailed explanations are listed below:

Within the General Fund, there is a variance of \$1 million due to the delay in the planning/design of the Commuter Rail Strategic Plan implementation. This project is scheduled to begin next fiscal year. There is also an under-run in the Chokepoint Program Support of \$0.4 million. The total cost for the project was budgeted in September, whereas, the actuals are coming in on a monthly basis. This variance is expected to be offset by year-end.

There are two project development studies related to Orange County freeway interchanges for (\$1.5 million), which were budgeted in the second and third quarters, respectively, but are not scheduled for procurement until the fourth quarter. The South Orange County Investment Study has also been delayed pending the TCA's adoption of the Final Environmental Impact Report (FEIR) on Foothill South. Consultant services for this study will be utilized from March to June 2006 (\$0.1 million).

In addition, the Central County Corridor Study (CCC) has been delayed until next year. This study is contingent upon the completion of other studies that have not yet been completed, and therefore has been rebudgeted for the next fiscal year (\$0.9 million). Furthermore, the vanpool program has been re-budgeted for next year to allow time for OCTA to evaluate and implement this program (\$0.7 million).

Within the OCTD fund, there is an under-run of \$1.1 million. Under-runs include the Bus Rapid Transit (BRT) – Signal Prioritization (\$0.2 million), Harbor Boulevard BRT - Planning/Implementation (\$0.2 million) and project management services (\$0.6 million). The budget was amended for these projects and approved by the Board in September 2005. OCTA anticipates incurring some expenses by year-end; however, the majority of costs associated with BRT have been re-budgeted for next year.

Within the LTA Fund, approximately \$0.8 million of the variance is due to the delay of the following SR-22 projects: Public Awareness Consultant (\$0.3 million), and the Project Delivery Implementation Plan (\$0.3 million). Also, the Project Management Services are experiencing a delay in invoicing (\$0.2 million).

Under-runs in the 91 Express Lanes Fund (\$0.6 million) are attributed to the delay in the Traffic and Revenue Study (\$0.2 million), the Technical Studies for Environmental Documentation (\$0.2 million), and the Engineering Technical Support and Project Management (\$0.2 million). These projects are expected to begin in the fourth quarter.

Contributions to Other Agencies: The year-to-date actuals of \$64.5 million is \$49.6 million below the amended budget of \$114.2 million. The primary reason for this variance is due to the Measure M Combined Transportation Funding Program. There is an under-run of \$26.3 million in these programs due to cities not requesting reimbursements at the rate OCTA had anticipated. Another component of the variance is due to the delay of the grade crossing safety enhancements (\$7.5 million) until next fiscal year. In addition, there is a variance of \$3.9 million due to the Buena Park Station construction being delayed until the end of the fiscal year. Furthermore, the Board recently approved an amendment of \$14.6 million associated with the expansion of Metrolink service. The costs associated with this expansion are anticipated to be incurred by the fourth quarter.

Capital and Fixed Assets Summary

During the third quarter, capital and fixed asset actuals of \$25.6 million are 254.1 percent below the amended budget of \$90.6 million.

Construction in Progress: The year-to-date actuals of \$14.8 million are 42.7 percent under the budgeted amount of \$21.2 million. The variance is due to the I-5 Gateway construction (\$6 million) which will be paid directly by Caltrans using STIP funds for the first \$60 million of the total project costs.

Work in Process: Year-to-date actuals of \$8.5 million are \$13.3 million below the amended budget of \$21.8 million. The majority of this variance is due to contract change orders for the SR-22 project (\$12.7 million). OCTA generally budgets contract change orders in the event of unforeseen cost increases.

Capital Expense – Grant Funding: Year-to-date actuals of \$2.3 million are \$45.4 million below the amended budget of \$47.6 million.

The largest variance (\$21.4 million) is in anticipation of the receipt of the 50 compressed natural gas (CNG) buses. These 50 CNG buses are expected to arrive in March 2007. In addition, there is a delay with the North American Bus Industries engine replacements campaign (\$4.8 million), which has been re-budgeted next fiscal year. Furthermore, the first articles of small bus and paratransit revenue vehicles (\$7.5 million and \$2.8 million, respectively) will be received in June 2006, however; they were budgeted to be purchased quarterly throughout the year. The ACCESS radio replacement project (\$4.5 million) has been postponed pending a paratransit consultant's recommendation on a communication study currently being evaluated. Lastly, the proposed project cost associated with the Articulated Bus Repair Bays at the Garden Grove Base exceeded the original budget estimates so this project has been put on hold (\$3.0 million).

Fund Level Analysis

A fund level analysis as well as fund level financial schedules for the General Fund, LTA, OCTD, 91 Express Lanes Fund and the Internal Service Funds are included as Attachments A and B.

Summary

This summary report of budget-to-actuals provides information for the third quarter for FY 2005-06 activities of the Orange County Transportation Authority. Third quarter revenues were 16.4 percent higher than the amended revenue budget, while the expenditures were 32.5 percent below budgeted levels during this same period. Staff recommends this report be received and filed as an information item by the Finance and Administration Committee.

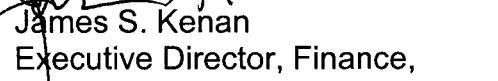
Attachments

- A. Fund Level Analysis.
- B. Fund Level Financial Schedules.

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Fund Level Analysis

General Fund – Revenue and Expense Summary

Year-to-date revenues of \$0.1 million are 95.9 percent below the amended budget of \$2.2 million. Year-to-date expenditures of \$30.2 million are 22.3 percent under the amended budget of \$38.9 million. Expenses in the General Fund are greater than revenues; this is due to the majority of the expenses being allocated to the other funds.

General Fund - Variance Analysis – Revenues

Other Financial Assistance: Revenue in this category is received on a reimbursement basis. Revenues budgeted here can be received in future years rather than the year in which they are reflected in the budget. On the other hand, reimbursements budgeted in prior years can be received in the current year. This will lead to a variance between budgeted revenues and actual cash receipts primarily due to revenues not being recorded in the same period as encumbrances. As a result, year-to-date revenue of negative \$0.4 million is 120.2 percent below the year-to-date amended budget of \$1.8 million. The negative revenue in this case is caused by an accrual reversal for the San Diego Freeway (Interstate 405) Major Investment Study (\$0.1 million), Santa Ana Freeway (Interstate 5)/Costa Mesa Freeway (State Route 55) Project Report (\$0.1 million), and the Riverside Freeway (State Route 91) Project Development Support (\$0.2 million). This revenue is anticipated to be received by the end of the fiscal year.

General Fund – Variance Analysis – Expenses

Salaries and Benefits: Year-to-date expenditures of \$18.6 million are 5.6 percent less than the amended budget of \$19.7 million. Salaries and compensated absences are \$1.2 million under budget due to the actual vacancy rate (7.8 percent) being greater than budgeted (3 percent). This variance is partially offset by expenses running greater than budgeted in the category of pensions (\$0.1 million).

Pension costs were higher partially due to the change in the Orange County Retirement Systems (OCERS) Additional Retiree Benefit Account (ARBA) rate, which rose from 0.5 percent to 1 percent which equates to \$0.1 million. The new rate took effect July 1, 2005, which was subsequent to the budget development. As a result, a variance is expected throughout the fiscal year.

Services and Supplies: Through the third quarter, actuals of \$11.3 million are 39.4 percent less than the amended budget of \$18.6 million for the same period. Major variances are explained below:

Office Expense: Year-to-date actuals of \$1 million are 29.6 percent less than the amended budget of \$1.5 million. This is due to combined under-runs in printing, postage, office supplies and equipment, personal computer workstations/hardware and software purchases of \$0.4 million.

Outside Services: Year-to-date actuals of \$1.7 million are 31 percent less than the amended budget of \$2.5 million. This variance is due to under-runs in hardware/software maintenance (\$0.6 million) and bus stop maintenance payment (\$0.2 million) being one month in arrears.

Professional Services: Year-to-date expenditures of \$4.8 million are 52.8 percent less than the amended budget of \$10.1 million. There is a variance of \$1 million due to the delay in the planning/design of the Commuter Rail Strategic Plan implementation. This project is scheduled to begin next fiscal year. There is also an under-run in the Chokepoint Program Support of \$0.4 million. The total cost for the project was budgeted in September, whereas, the actuals are coming in on a monthly basis. This variance is expected to be off-set by year-end. Two Project Development Studies for Orange County freeway interchanges (\$1.5 million) were budgeted in the third and fourth quarter, respectively. The studies were not approved by the Board until October 2005. However, these projects are scheduled to be procured by the fourth quarter. In addition, the South Orange County Investment Study and Central County Corridor Study were budgeted in the first half of the fiscal year, however they are being expensed on a monthly basis (\$0.3 million), which is contributing to the variance. Furthermore, There is an under-run of \$0.7 million associated with the Vanpool Program. The status of this program is currently under review.

Local Transportation Authority (LTA) Fund – Revenue and Expense Summary

Year-to-date revenues of \$288.7 million are 43 percent higher than the amended budget of \$201.9 million. Year-to-date expenditures of \$78.4 million are 39.2 percent under amended budget of \$128.9 million.

Local Transportation Authority Fund - Variance Analysis – Revenues

Sale Capital Assets: Year-to-date actuals of \$6.2 represents payments from the Anaheim Redevelopment Agency for the purchase of the 19 excess parcels and one Stingray parcel. The total revenues expected to be received for these parcels is \$14.3 million, which will be repaid on a quarterly basis over the next five years.

Other Financial Assistance: Revenue in this category is received on a reimbursement basis. Revenues budgeted here can be received in future years rather than the year in which they are reflected in the budget. On the other hand, reimbursements budgeted in prior years can be received in the current year. This will lead to a variance between budgeted revenues and actual cash receipts primarily due to revenues not being recorded in the same period as encumbrances.

Federal Capital Assistance Grants: Year-to-date actuals of \$38.3 million is due to the receipts of Congestion Mitigation Air Quality (CMAQ) funds for the Garden Grove Design Build (State Route 22) project, which was encumbered in a prior fiscal year.

Year-to-date actuals of \$42.9 million are comprised of reimbursements from Caltrans (\$38.3 million) for the SR-22 project and from local agencies (\$3.1 million).

Local Transportation Authority Fund – Variance Analysis – Expenses

Total Services and Supplies: Year-to-date actuals of \$59.9 million are 34.1 percent less than the amended budget of \$90.9 million. Variance analysis for each category is presented below:

Contributions to Other Agencies: Year-to-date actuals of \$39.8 million are 43.2 percent less than the amended budget of \$70.1 million. This is due to a delay in invoicing by cities for the Combined Transportation Funding Program (CTFP).

Total Capital Expenditures: Year-to-date actuals of \$18.5 million are 51.4 percent less than the amended budget of \$38 million. Variance analysis for each category is presented below:

Construction in Progress: Year-to-date actuals of \$12.8 million are 28 percent below the amended budget of \$17.8 million. The cause of this variance is due to the I-5 Gateway construction (\$5 million), which will be paid directly by Caltrans using State Transportation Improvement Program (STIP) funds for the first \$60 million of the total project costs.

Work in Process: Year-to-date actuals of \$5.7 million are 71.9 percent below the amended budget of \$20.2 million. The majority of this variance is due to contract change orders for the SR-22 project (\$12.7 million). OCTA generally budgets contract change orders in the event of unforeseen cost increases. In addition, \$1.9 million of this variance is due to slower than anticipated right-of-way land acquisition (\$0.2 million) and right-of-way utility relocation (\$1.7 million).

Orange County Transit District Fund – Revenue and Expense Summary

Year-to-date revenues of \$68.5 million are 19 percent below the amended budget of \$84.5 million. Year-to-date expenditures of \$142.5 million are 21.1 percent under amended budget of \$180.7 million.

Orange County Transit District Fund - Variance Analysis – Revenues

Federal Capital Grants: Revenues in this category are received on a reimbursement basis, revenues budgeted here are often times received in future years rather than the year in which they are reflected in the budget. This will lead to a variance between budgeted revenues and actual cash receipts. Funding is anticipated to be received for Bus Rapid Transit development, Revenue Vehicles, ADA bus stop modifications and debt service for a total of \$15.3 million for the fiscal year. Year-to-date, actuals indicate an amount of \$3.3 million compared to a budget of \$14.2 million.

Farebox Revenue: There is a variance of \$2.6 million through March or 6.4 percent below the budgeted amount of \$39.9 million. This variance is primarily due to a shift in ridership behavior where customers are purchasing fewer full-fares and utilizing the monthly and other pre-paid passes to maximize their investment.

Advertising Revenue: Year-to-date actuals of \$1.6 million are 47.3 percent below the amended budget of \$3 million. The variance is due to the effective starting date for the new advertising contract, which began September 1. Future revenue receipts are expected to be one month in arrears with reconciliations made at each quarter end. OCTA will receive a minimum guarantee of \$3.9 million for the year.

Interest Income: Year-to-date actuals of \$2.2 million are 38.8 percent lower than the amended budget of \$3.5 million. The Merrill Lynch 1 to 3 year treasury benchmark had a total return of 2.32 percent during the previous twelve months, approximately 68 basis points below the budgeted rate of 3 percent. The variance between the actual and the budgeted amount was largely attributable to market price fluctuations in the current rising interest rate environment. As market price volatility becomes less prevalent and yields remain steady, the Authority's interest earnings are forecasted to move closer to budgeted returns.

Orange County Transit District Fund – Variance Analysis – Expenses

Total Salaries and Benefits: Year-to-date actuals of \$68.2 million are 0.2 percent higher than the amended budget of \$68.1 million.

Total Services and Supplies: Year-to-date actuals of \$70.5 million are 6 percent above the amended budget of \$66.5 million. Detailed variance analysis is presented below.

Fuels and Lubricants: Year-to-date actuals of \$12.5 million are over the amended budget of \$7.9 million by 57.5 percent. The primary reason for this over-run is due to the price of diesel fuel used to operate the OCTA ACCESS vehicles. Fuel expense was not budgeted in FY 2006 in anticipation of the cost being rolled into the new ACCESS procurement. In FY 2005-06, diesel fuel was budgeted at \$1.50 per gallon, while actuals through March are running at \$2.09 per gallon. As a result, there is a \$2.2 million variance for diesel cost related to ACCESS and a \$0.6 million variance related to Fixed Route. LNG fuel costs are above the budget by \$1.6 million as a result of a renegotiated contract completed in November of 2005. In FY 2005-06, LNG was budgeted at \$0.53 and the current rate is \$1.30 per gallon. This contract is based on index pricing, which will fluctuate monthly based on market conditions similar to diesel prices.

Outside Services: Year-to-date actuals of \$7.2 million are under the amended budget of \$8.5 million by \$1.3 million. This variance is primarily due to an under-run in security services (\$0.4 million), equipment repair/maintenance (\$0.2 million), and revenue vehicle repair/maintenance for paratransit buses (\$0.5 million). The reason for this under-run is due to one third of the fleet being under warranty for the majority of the fiscal year.

Contributions to Other Agencies: Year-to-date actuals of \$0.3 million is \$1.6 million below the amended budget of \$1.9 million. There is an under-run of \$0.8 million in the following programs: Contracted express bus service (Route 149) from Riverside to the Mall of Orange, Bus Rapid Transit down the Harbor Boulevard Corridor and the Senior Mobility Program.

Professional Services: Year-to-date actuals of \$2.1 million are 61.4 percent less than the amended budget of \$5.5 million. This under-run is associated with the delay of the Bus Rapid Transit signal prioritization and planning/implementation projects (\$1 million). Staff is currently in the process of submitting a Request for Proposal (RFP) for the two projects.

In addition, the Customer Information Center contract (CIC) is running \$0.3 million below the budget. This variance is due to a duplicate accrual reversal in error during the year end process. The CIC contract is actually running in line with the budget. Other under-runs include, Vanpool Program (\$0.7 million), which is currently under review by the External Affairs Division and the American with Disabilities Act (ADA) in-house assessment (\$0.2 million) which costs less than anticipated.

Total Capital Expenditures: Year-to-date actuals of \$3.8 million are 91.7 percent less than the amended budget of \$46.1 million. This variance is due to delays in the following projects: procurement of 50 compressed natural gas buses

(\$21.4 million), NABI bus engine replacements (\$4.8 million), 47 Paratransit Buses (\$2.8 million), and Fixed Route Small Buses (\$7.5 million) due to be purchased in June 2006. The ACCESS radio replacement project (\$4.5 million) has been postponed pending a paratransit consultant's recommendations on a communications study currently being evaluated.

State Route 91 Toll Road Fund – Revenue and Expense Summary

Year-to-date revenues of \$33.2 million are 32.7 percent above the amended budget of \$25 million. Year-to-date expenditures of \$16.8 million are 21.8 percent under the amended budget of \$21.5 million.

State Route 91 Toll Road Fund - Variance Analysis – Revenues

Miscellaneous Toll Road: Year-to-date actuals of \$5.9 million are 85.9 percent greater than the amended budget of \$3.2 million. This is primarily due to an increase in the monthly minimum fee income account, which is attributed to an increase of transponders in circulation (\$2.7 million).

Transponders in circulation increased from 172,220 in FY 2005 to 183,374 in FY 2006. As a result of the increase in the number of transponders in circulation, the violation fee income has also jumped by \$0.9 million.

Toll Road Revenue: Year-to-date actuals of \$26.1 million are 21.5 percent greater than the amended budget of \$21.5 million. This variance is due to a combination of factors: The revenue forecast for the toll revenue was developed utilizing a conservative approach by taking 90 percent of Vollmer's forecast. In addition, traffic volume has also surpassed the forecast at a rate of 13.3 percent (\$2 million). Furthermore, OCTA also receives revenues from the Transportation Corridor Agencies (TCA) associated with the interoperating agreement. As TCA customers utilize the 91 Toll Road, OCTA bills the TCA accordingly (\$2.5 million).

State Route 91 Toll Road Fund – Variance Analysis – Expenses

Total Services and Supplies: Year-to-date actuals of \$16 million are 11.6 percent less than the amended budget of \$18.1 million. Variance analysis is presented below.

Professional Services: Year-to-date actuals of \$1.9 million are 26.9 percent less than the amended budget of \$2.6 million. This is mainly due to the Traffic and Revenue Study (\$0.2 million), and Technical Studies for Environmental Documentation (\$0.2 million) being put on hold until the fourth quarter.

Total Capital Expenditures: Year-to-date actuals of \$0.9 million are 75.1 percent less than the amended budget of \$3.4 million. This variance is due

to delays in the following projects: traffic operations center/traffic management system upgrade (\$2 million) and the phone system replacement (\$0.3 million).

Internal Service Funds – Revenue and Expense Summary

Year-to-date revenues of \$27.7 million are 23.6 percent above the amended budget of \$22.4 million. Year-to-date expenditures of \$26.3 million are 2.5 percent over the amended budget of \$25.6 million.

Internal Service Funds - Variance Analysis – Revenues

Interest Income: Year-to-date actuals of \$0.6 million are 41.6 percent less than the amended budget of \$1 million. This variance is primarily due to a realized loss (\$0.7 million) on maturing investments, which is partially off-set by an increase in interest on investments (\$0.3 million).

Charges for Services: Year-to-date actuals of \$27 million are 27.2 percent greater than the amended budget of \$21.2 million. The variance is due to charge backs to the funds (\$5.8 million) being greater than anticipated.

Internal Service Funds – Variance Analysis – Expenses

Total Services and Supplies: Year-to-date expenditures of \$26.3 million are 2.5 percent more than the amended budget of \$25.6 million. There are no significant variances to report at this time.

**Fund Level Financial Schedules
General Fund
Revenues and Expenses**

In Thousands

	Budget	Actual	Variance	%
Interest Income				
Other Financial Assistance	1,804	(365)	(2,168)	-120.2%
Fees and Fines	122	84	(38)	-30.9%
Miscellaneous	93	129	36	38.7%
Interest Income	167	240	73	43.4%
Total Revenues	2,186	89	(2,097)	-95.9%
Pensions	2,905	3,041	(135)	-4.7%
Other Benefits	837	916	(78)	-9.4%
Extra Help Employees	459	481	(21)	-4.6%
Insurances	486	367	119	24.4%
Compensated Absences	1,782	1,460	322	18.1%
Salaries-Regular Employees	13,200	12,295	905	6.9%
Total Salaries & Benefits	19,670	18,559	1,110	5.6%
Leases	2,858	2,944	(86)	-3.0%
Maintenace Expense	5	1	4	87.9%
Miscellaneous Expense	333	304	29	8.6%
Travel, Training, and Mileage	276	230	46	16.8%
Other Materials and Supplies	103	51	52	50.3%
Advertising Fees	379	160	219	57.9%
Utilities	578	355	223	38.6%
Contributions to other Agencies	19	(294)	313	1667.1%
Office Expense	1,463	1,030	433	29.6%
Outside Services	2,497	1,723	774	31.0%
Professional Services	10,094	4,762	5,332	52.8%
Total Services & Supplies	18,605	11,266	7,339	39.4%
Capital Expense-Locally Funded	606	393	213	35.2%
Total Expenses	38,881	30,218	8,663	22.3%

*Revenues - (under) / over

*Expenses - under / (over)

Local Transportation Authority Fund (Measure M) Revenues and Expenses

Interest Income

Description	Budget	Actual	Variance	%
Interest Income	9,300	6,809	(2,491)	-26.8%
Rental Income	56	107	52	92.1%
Taxes/Fees	191,291	194,495	3,203	1.7%
Sale Capital Assets	-	6,192	6,192	100.0%
Federal Capital Assistance Grants	1,250	38,269	37,019	2961.5%
Other Financial Assistance	-	42,845	42,845	100.0%
Total Revenues	201,897	288,732	86,835	43.0%
Debt Service	405	653	(248)	-61.3%
Leases	-	19	(19)	100.0%
Utilities	-	15	(15)	100.0%
Miscellaneous Expense	3	3	0	7.4%
Travel, Training, and Mileage	7	2	5	76.6%
Other Materials & Supplies	26	-	26	100.0%
Advertising Fees	48	8	39	82.4%
Outside Services	151	50	102	67.2%
Office Expense	247	9	238	96.4%
Professional Services	19,930	19,334	595	3.0%
Contributions to Other Agencies	70,058	39,818	30,240	43.2%
Total Services & Supplies	90,875	59,911	30,964	34.1%
Capital Expense-Locally Funded	18	-	18	100.0%
Capital Expense-Grant Funded	28	-	28	100.0%
Construction in Progress	17,759	12,787	4,972	28.0%
Work in Process	20,171	5,670	14,501	71.9%
Total Capital	37,976	18,456	19,520	51.4%
Total Expenses	128,851	78,368	50,484	39.2%

*Revenues - (under) / over

*Expenses - under / (over)

Orange County Transit District Fund Revenues and Expenses

In Thousands

Description	Budget	Actual	Variance	%
Federal Capital Grants	14,210	3,294	(10,916)	-76.8%
Farebox Revenue	39,916	37,369	(2,547)	-6.4%
Advertising Revenue	3,045	1,605	(1,440)	-47.3%
Interest Income	3,549	2,171	(1,378)	-38.8%
Other Financial Assistance	17,293	17,175	(119)	-0.7%
Insurance Recoveries	193	165	(28)	-14.7%
Rental Income	295	340	45	15.4%
Operating Transfer In	-	65	65	100.0%
Federal Operating Grants	-	101	101	100.0%
Taxes/Fees	5,977	6,171	195	3.3%
Total Revenues	84,479	68,457	(16,022)	-19.0%
Pensions	7,491	8,549	(1,058)	-14.1%
Salaries-Regular Employees	50,416	50,446	(30)	-0.1%
Insurances	1,125	1,153	(28)	-2.5%
Extra Help Employees	551	383	168	30.5%
Compensated Absences	6,152	5,838	315	5.1%
Other Benefits	2,346	1,824	522	22.2%
Total Salaries & Benefits	68,080	68,193	(112)	-0.2%
Insurance	-	8,192	(8,192)	100.0%
Fuels and Lubricants	7,922	12,479	(4,557)	-57.5%
Other Materials and Supplies	1,116	1,241	(125)	-11.2%
Miscellaneous Expense	261	306	(45)	-17.4%
Insurance Claim Expense	-	11	(11)	100.0%
Utilities	766	762	4	0.5%
Travel, Training, and Mileage	135	111	24	17.6%
Debt Service	140	92	49	34.8%
Advertising Fees	125	48	77	61.5%
Leases	541	459	82	15.2%
Tires and Tubes	1,732	1,199	533	30.8%
Office Expense	1,079	520	559	51.8%
Contract Transportation	29,271	28,689	582	2.0%
Maintenace Expense	7,420	6,775	644	8.7%
Outside Services	8,526	7,187	1,339	15.7%
Contributions to other Agencies	1,944	288	1,656	85.2%
Professional Services	5,487	2,118	3,369	61.4%
Total Services & Supplies	66,466	70,479	(4,014)	-6.0%
Work in Process	1,601	2,804	(1,203)	-75.1%
Capital Exp-Locally Funded	44,525	1,037	43,488	97.7%
Total Capital	46,126	3,841	42,285	91.7%
Total Expenses	180,672	142,513	38,159	21.1%

*Revenues - (under) / over

*Expenses - under / (over)

Toll Road Fund Revenues and Expenses

In Thousands

Description	Budget	Actual	Variance	%
Rental Income	7	7	-	0.0%
Insurance Recovery	11	39	28	251.0%
Interest Income	389	1,200	811	208.8%
Miscellaneous Toll Road Revenue	3,166	5,884	2,719	85.9%
Toll Road Revenue	21,465	26,088	4,623	21.5%
Total Revenues	25,038	33,219	8,182	32.7%
Equipment/Structure	-	10	(10)	100.0%
Outside Services	1,151	1,150	1	0.1%
Travel, Training, and Mileage	10	5	4	43.3%
Leases	306	268	38	12.4%
Miscellaneous Expense	201	130	71	35.4%
Utilities	219	128	91	41.7%
Office Expense	657	517	141	21.4%
Advertising Fees	233	63	169	72.8%
Insurance Claims Expense	345	167	178	51.6%
Debt Service	7,790	7,477	313	4.0%
Contract Transportation	4,541	4,139	402	8.8%
Professional Services	2,626	1,919	707	26.9%
Total Services & Supplies	18,079	15,973	2,106	11.6%
Capital Expense-Locally Funded	3,433	855	2,578	75.1%
Total Capital	3,433	855	2,578	75.1%
Total Expenses	21,512	16,828	4,683	21.8%

**Revenues - (under) / over*

**Expenses - under / (over)*

Internal Service Funds Revenues and Expenses

In Thousands

Description	Budget	Actual	Variance	%
Interest Income	1,031	602	(429)	-41.6%
Insurance Recoveries	200	158	(42)	-21.0%
Charges for Services	21,212	26,985	5,773	27.2%
Total Revenues	22,442	27,744	5,302	23.6%
Insurance Claims Expense	24,385	24,953	(568)	-2.3%
Professional Services	986	1,160	(173)	-17.6%
Taxes	83	93	(10)	-12.4%
Miscellaneous Expense	3	2	0	9.3%
Outside Services	148	48	100	67.6%
Total Services and Supplies Expenses	25,604	26,255	(651)	-2.5%

**Revenues - (under) / over*

**Expenses - under / (over)*



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Third Quarter Fiscal Year 2005-06 Grant Status Report

Finance and Administration Committee

May 24, 2006

Present: Directors Campbell, Cavecche, Correa, Duvall, and Wilson
Absent: Director Pringle

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file as an information item.



May 24, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Third Quarter Fiscal Year 2005-06 Grant Status Report

Overview

The Quarterly Grant Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on significant grant activity for the period of January through March 2006. The Quarterly Grant Status Report summarizes future grant applications, pending grant applications, executed grant awards, current grant agreements, and closed-out grant agreements.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority's (OCTA) long-term, proactive planning approach ensures the effective utilization of limited capital resources and improved operating effectiveness. One critical aspect of this proactive planning approach is to strategically seek and obtain federal, state, and local grant funding.

Discussion

The ongoing grant activities are categorized by future grant applications, pending grant applications, awarded/executed grant agreements, current grant agreements, and closed-out grant agreements.

Future Grant Applications

The OCTA has seven future grant applications under development which are enumerated in Attachment A and summarized below.

Federal Transit Agency (FTA) Section 5307 Capital Formula Grant Program

- The development of the Fiscal Year (FY) 2006 Section 5307 Capital Formula Grant application is underway with an expected submittal by the end of June 2006. The grant application consists of over \$47 million in federal capital and operating assistance to support OCTA's fixed route and paratransit operations. The grant application also will encompass the transfer of \$450,000 in Congestion Mitigation and Air Quality (CMAQ) funds to support rideshare services. The fund transfer paperwork was completed and submitted on April 14, 2006, for review by California Department of Transportation (Caltrans).

FTA Section 5309 Discretionary Capital Grant Program

- The reprogramming of the federal earmark of \$247,507 originally allocated to the City of Costa Mesa is pending confirmation from the Senate Appropriations Committee. The city declined the 2002 federally appropriated funds in July 2004, due to project ineligibility under the Section 5309 program. Once reprogrammed the earmark can be included in the FY 2006 federal grant application to support OCTA's bus transit system.

2006 Transit Security Grant Program: Department of Homeland Security (DHS) Grant Programs

- Staff is undertaking advance preparations for the upcoming 2006 Transit Security Initiative, State Homeland Security Grant and Transit Security Grant program. Since calls for projects and funding availabilities are expected to be announced in May 2006, staff has begun exploring project options for proposals that are expected to be due in June 2006.

Mobile Source Air Pollution Reduction Review Committee (MSRC)

- A grant proposal is under development for the use of \$928,000 in MSRC funds allocated towards the Freeway Service Patrol Program. The proposal will outline the purpose and need for automated vehicle locator and mobile data terminal equipment to increase the efficiency of the patrols servicing Orange County. The proposal is targeted for submittal by the end of July 2006, pending the selection of a preferred vendor. An award would require a 25 percent local match contribution.

- Staff is also working with MSRC staff on structuring a proposal that requests up to \$150,000 in grant funds towards the capital costs of leasing compressed natural gas fueling equipment at the Santa Ana Bus Base. Additional grant funds of up to \$75,000 are also being explored through various infrastructure-funding categories available through the FY 2005-06 MSRC grant program. A final proposal is pending completed negotiations with the selected vendor.

FTA Section 5310 Paratransit Grant Program

- Over the past several months, staff has been assisting local applicants in preparing competitive proposals for the FY 2007 FTA Section 5310 program. This program will provide an opportunity to purchase or replace paratransit vehicles to help meet the transportation needs of elderly persons and persons with disabilities. Eight grant applications from various local agencies and non-profit organizations were received for evaluation on March 3, 2006. The requests total over \$1.28 million in grant funding. A prioritized list of recommended projects was approved by the Board on April 24, 2006, and submitted to Caltrans for statewide competition.

California Integrated Waste Management Board (CIWMB): Targeted Rubberized Asphalt Concrete Incentive Grant Program

- Work has begun on a grant proposal that may help offset the costs associated with using rubberized asphalt on the Garden Grove Freeway (State Route 22) Improvement Project. The Targeted Rubberized Asphalt Concrete Incentive Grant Program is designed to promote markets for products made from waste tires generated in California. Awards of up to \$150,000 per jurisdiction are made on a competitive basis to promote the diversion of waste tires from landfills and stockpiles. Staff is currently working with the CIWMB to gain additional insight on the grant requirements. A proposal is targeted for submittal to the CIWMB on June 1, 2006.

Pending Grant Applications

The OCTA has five pending grant applications awaiting approval (Attachment B).

Caltrans Division of Transportation Planning (State Highway Fund)

- A grant proposal requesting \$65,000 in Caltrans planning funds is currently pending. The proposal was submitted on October 14, 2005, to enable the development of a feasibility plan for Adult Day Healthcare (ADHC) Transportation Services. Currently, travel to ADHC facilities accounts for almost one-fifth of all OCTA ACCESS trips and is expected to grow rapidly. A feasibility plan for the ADHC would assist OCTA in implementing cost-effective transportation alternatives and further the goals of the Paratransit Growth Management Plan. A 12 percent local match would be required if awarded.
- On October 14, 2005, staff submitted a proposal requesting \$200,000 in Caltrans planning grant funds to supplement the multi-county regional goods movement study currently underway. The funds would be used for additional environmental justice impact analysis and community outreach activities. Project partners include Los Angeles County Metropolitan Transportation Authority (LACMTA), Riverside County Transportation Commission (RCTC), San Bernardino Associated Governments (SANBAG), Ventura County Transportation Commission, and the Southern California Association of Governments (SCAG). The 12 percent local match requirement would be shared between the project partners.

Urban Area Security Initiative (UASI) Grant State Funds: State Homeland Security Grant Program (SHSGP)

- On August 26, 2005, staff submitted a reimbursement request of \$30,104 for Transit Police Service (TPS) overtime hours and \$3,270 for k-rail barriers for the Santa Ana Transit Terminal to achieve heightened security levels resulting from the July 2005 London bombings. On March 9, 2006, a reimbursement was received for overtime hours through a \$30,104 reduction in the current TPS contract. Reimbursement for the k-rail barrier is expected in June 2006 as part of the FY 2005 UASI and SHSGP.
- On November 15, 2005, staff submitted a grant proposal requesting \$320,000 in FY 2005 UASI and SHSGP funds to equip 40 transit vehicles with on-board bus cameras. A notice of award is expected by June 2006.

2005 Easter Seals Project Action Program

- On June 10, 2005, staff submitted a pre-proposal requesting up to \$100,000 to support the implementation of a Road to Driving Wellness Program in Orange County, which is a volunteer-based program that promotes driver safety among seniors. Easter Seals Project Action is a grant program administered by Easter Seals and funded through FTA to promote cooperation between transportation providers and persons with disabilities. The pre-proposal is currently in review.

Awarded/Executed Grants

The OCTA staff executed five grant awards in the current quarter.

The FY 2005 Section 5309 Discretionary Capital Grant application received FTA approval on March 3, 2006. The consolidated capital grant award will result in a total of \$4,344,932, in federal earmark funds to OCTA for Bus Rapid Transit (BRT) (\$2,184,466); Inter-County Express Bus (\$1,067,961); farebox equipment for the City of Anaheim (\$485,437, for FY 2003-04 and \$291,534, for FY 2004-05), and a security camera system at the Fullerton Transportation Center (FTC) (\$315,534).

OCTA was awarded \$958,450 in grant funds on January 20, 2006, from the 2005 Transit Security Grant Program. The award was made possible through cooperative efforts between the State Office of Homeland Security and LACMTA on the use of \$2,175,000 allocated regionally to both LACMTA and OCTA to better secure the regional bus transit system. The proposed use of grant funds includes the installation of on-board bus security cameras (\$508,450), a bus system security analysis (\$25,000), emergency communications equipment and/or command post vehicle (\$250,000), and update to OCTA's Emergency Operations Plan (\$25,000). A total of \$300,000 has also been requested jointly by LACMTA and OCTA to conduct regional multi-county disaster drills, including the terrorism exercise in May 2006 at the American Public Transportation Association bus conference.

The Federal Highway Administration (FHWA) awarded OCTA \$588,000 in grant funds on January 10, 2006, to explore the benefits of dynamic pricing on the 91 Express Lanes and, if favorable, implement the Performance Monitoring and Pricing Pilot Project. The study will explore pricing structures based on actual traffic volumes to provide customers with a clear link between the tolls paid and the actual travel times and speeds experienced on the facility. The proposal includes a 25 percent local match from the toll revenue funds. Since

\$1.19 million was originally requested, staff is currently revising the scope of the project in keeping with the reduced grant award amount.

A grant award agreement with the MSRC for \$200,000 was executed on March 13, 2006, to assist in the purchase of 25 natural gas buses. Grant funds are to be distributed at \$8,000 per vehicle to provide a local non-federal match contribution.

A grant agreement with the MSRC for \$603,500 was executed on March 15, 2006 to fund the purchase and installation of 71 diesel particulate filters to reduce emissions on 1995 to 2001 model year transit vehicles.

Current Grant Agreements

The OCTA has five current capital formula grant and five current capital discretionary grant agreements which are summarized on Attachment C.

Capital Formula Grants: OCTA receives an annual formula capital grant from the FTA. There are five active formula capital grants, totaling \$472.5 million. A total of \$298.2 million of these grants has been expended or obligated for procurement, leaving a remaining and available balance of \$174.3 million. Of the \$174.3 million available balance, \$113.2 million represents future procurements of alternative fuel buses for the expansion and replacement of our current fixed route fleet.

Capital Discretionary Grants: There are five active discretionary capital grants, totaling \$11.7 million. A total of \$6.2 million of these grants has been expended or obligated for procurement, leaving a remaining and available balance of \$5.5 million. The \$5.5 million available balance represents the construction of the Irvine Transportation Center parking structure, construction of the Buena Park Intermodal Facility, Harbor Boulevard BRT demonstration project, security camera system at the FTC, mobile fare equipment for the City of Anaheim and buses for the cities of Anaheim and Brea.

OCTA has \$298.5 million in current other discretionary grants which are summarized on Attachment D.

In addition to the specific grants outlined above, OCTA receives a variety of discretionary grants from sources such as SCAG, South Coast Air Quality Management District (SCAQMD), MSRC, FHWA, CMAQ, Traffic Congestion Relief Program (TCRP), Caltrans, and the State Highway Fund. The remaining and available balance on these discretionary grants is \$103.5 million. These funds will be received on a reimbursement of eligible expense basis.

Closed-out Grant Agreements

There were no grants closed-out in the current quarter.

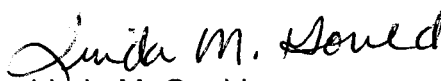
Summary

This report provides an update of the grant funded activities for the third quarter of fiscal year 2005-06, January through March 2006. Staff recommends this report be received and filed as an information item.

Attachments

- A. Quarterly Grant Status Report, January through March 2006, Future Grant Applications.
- B. Quarterly Grant Status Report, January through March 2006, Pending Grant Applications.
- C. Quarterly Grant Status Report, January through March 2006, Current Formula & Discretionary Grants.
- D. Quarterly Grant Status Report, January through March 2006, Current Other Discretionary Grants.
- E. Quarterly Grant Status Report, January through March 2006, Federal Transit Administration Section 5307 Grant Funds.
- F. Quarterly Grant Status Report, January through March 2006, Federal Transit Administration Capital Grant Index.

Prepared by:


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Financial Analyst,
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(714) 560-5638

Approved by:


James S. Kenan
Executive Director, Finance,
Administration and Human Resources
(714) 560-5678

**Quarterly Grant Status Report
January through March 2006
Future Grant Applications**

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Federal Transit Authority Section 5307 - Urbanized Area Formula Capital Grant Program

Formula grants funded by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) / Transportation Equity Act for the 21st Century (TEA 21)
Funds are generally used to purchase revenue vehicles, vehicle and facility modifications and bus related equipment.

GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2006	\$ 47,043,235	\$ 28,931,809	\$ 75,975,044	June 2006	September 2006	Under Development
Formula Grants Sub-Total	\$ 47,043,235	\$ 28,931,809	\$ 75,975,044			

Federal Transit Authority Section 5309 (c) - Bus and Bus Related Facilities Program

Discretionary grants funded by Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) / Transportation Equity Act for the 21st Century (TEA 21)
Grants provide capital funds for projects that improve efficiency and coordination of transportation systems.

GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2002 City of Costa Mesa	\$ 247,507	\$ 61,877	\$ 309,384	TBD	TBD	Seeking Scope of Work change via the Federal Fiscal Year 2006 Budget
Discretionary Grants Sub-Total	\$ 247,507	\$ 61,877	\$ 309,384			

United States Department of Homeland Security

These grants are to be used for the protection of the Orange County's transportation system and the hardening of Orange County Transportation Authority's critical facilities.

GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2006 Homeland Security Grant Program	TBD	TBD	TBD	TBD	TBD	Preliminary Preparation
Discretionary Grants Sub-Total	\$ -	\$ -	\$ -			

Mobile Source Air Pollution Reduction Review Committee

GRANT	GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Freeway Service Patrol Program Automated Vehicle Locator/Mobile Data Terminal Equipment	\$ 928,000	\$ 309,333	\$ 1,237,333	July 2006	TBD	Under Development
Leasing Certified Natural Gas Fueling Equipment Santa Ana Bus Base	150,000	-	150,000	TBD	TBD	Under Development
Discretionary Grants Sub-Total	\$ 1,078,000	\$ 309,333	\$ 1,387,333			

FTA Section 5310 Paratransit Grant Program

GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2007 Paratransit Vehicles for the Elderly and Disabled	TBD	TBD	TBD	TBD	TBD	Preliminary Preparation
Discretionary Grants Sub-Total	\$ -	\$ -	\$ -			

California Integrated Waste Management Board

GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Targeted Rubberized Asphalt Concrete Incentive Grant Program	TBD	TBD	TBD	TBD	TBD	Preliminary Preparation
Discretionary Grants Sub-Total	\$ -	\$ -	\$ -			

Future Grants Total	\$ 48,368,742	\$ 29,303,019	\$ 77,671,761			
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**Quarterly Grant Status Report
January through March 2006
Pending Grant Applications**

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Environmental Justice Planning Grant Program						
California State Highway Account - Orange County Commuter Bikeways Strategic Plan Update, Developing a Transportation Plan for the Regional Centers of Orange County and Creating Balance between Goods Movement and Impacts on Local Communities						
GRANT	GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	APPROVAL DATE	STATUS
Fiscal Year 2004-05 Adult Day Healthcare Transportation Services	\$ 65,000	\$ 7,800	\$ 72,800	October 2005	TBD	Pending Approval
Fiscal Year 2004-05 Creating Balance between Goods Movement	200,000	24,000	224,000	October 2005	TBD	Pending Approval
Discretionary Grants Sub-Total	\$ 265,000	\$ 31,800	\$ 296,800			

Urban Area Security Initiative Grant State Funds; Homeland Security Grant Program						
Reimbursement for eligible expenses that are the result of threat alerts by the Federal Government.						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2004-05 Homeland Security Grant Program Transit Police Services Overtime & K-Rail Barriers	\$ 33,374	\$ -	\$ 33,374	August 2005	July 2006	Pending Approval
Fiscal Year 2004-05 Homeland Security Grant Program On-Board Bus Cameras	320,000	\$ -	320,000	November 2005	June 2006	Pending Approval
Discretionary Grants Sub-Total	\$ 353,374	\$ -	\$ 353,374			

Easter Seals Project Action Program						
GRANT	GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2004-05 Driving to Wellness Program	\$ 100,000	\$ -	\$ 100,000	June 2005	June 2006	Pending Approval
Discretionary Grants Sub-Total	\$ 100,000	\$ -	\$ 100,000			

Pending Grants Sub-Total	\$ 718,374	\$ 31,800	\$ 750,174
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**Quarterly Grant Status Report
January through March 2006
Current Formula & Discretionary Grants**

ATTACHMENT C

Federal Transit Authority SECTION 5307, 5309 AND 5313 GRANT FUNDS

Federal Transit Authority Section 5307 - Urbanized Area Formula Capital Grant Program

Formula grants funded by the Transportation Equity Act for the 21st Century (TEA-21).

Funds are generally used to purchase revenue vehicles, vehicle and facility modifications and bus related equipment.

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EXPENDED TO DATE	UNLIQUIDATED OBLIGATIONS	REMAINING BALANCE
Fiscal Year 2005	\$ 83,581,587	\$ 15,411,320	\$ 98,992,907	\$ 22,036,267	\$ 41,710	\$ 76,914,930
Fiscal Year 2004 **	45,164,302	14,024,519	59,188,821	45,753,198	1,487,528	11,948,095
Fiscal Year 2002-03 *	131,076,208	25,003,097	156,079,305	144,942,284	3,227,426	7,909,595
Fiscal Year 2001	30,138,775	7,474,532	37,613,307	19,934,053	601,755	17,077,499
Fiscal Year 2000	88,838,958	31,811,225	120,650,183	60,203,540	-	60,446,643
Formula Grants Total	\$ 378,799,830	\$ 93,724,693	\$ 472,524,523	\$292,869,342	\$ 5,358,419	\$ 174,296,762

Note: The Remaining Balance reflects funds in an Approved Grant waiting for the procurement contract.

* The Fiscal Year 2001-03 Section 5307 Grant is a consolidated Fiscal Year 2001-02 and Fiscal Year 2002-03 mega grant.

** The Fiscal Year 2003-04 Section 5307 Grant is "ONLY" 9/12 of the amount available because the extension of TEA-21 expired June 30, 2004.

Federal Transit Authority Section 5309 - Discretionary Capital Grant Program

Discretionary grants funded by the Transportation Equity Act for the 21st Century.

Grants provide capital funds for projects that improve efficiency and coordination of transportation systems.

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EXPENDED TO DATE	UNLIQUIDATED OBLIGATIONS	REMAINING BALANCE
Fiscal Year 2005 Bus Application	\$ 4,344,932	\$ 1,037,983	\$ 5,382,915	\$ -	\$ 1,286,700	\$ 4,096,215
Fiscal Year 2002-03 City of Anaheim	986,854	\$ 202,127	1,188,981	-	-	1,188,981
Fiscal Year 2001-02 Cities of Anaheim and Brea and Santa Ana Bus Base	1,930,671	469,249	2,399,920	1,654,951	40,516	704,453
Fiscal Year 2001 Irvine Transportation Center Transitway	2,481,380	620,345	3,101,725	-	-	3,101,725
Fiscal Year 2000 Buses/Intermodal Facility	4,103,680	928,299	5,031,979	2,603,241	1,942,990	485,748
Discretionary Grants Total	\$ 9,502,585	\$ 2,220,020	\$ 11,722,605	\$ 4,258,192	\$ 1,983,506	\$ 5,480,907

Note: The above grant amounts include Federal Transit Authority amount and Orange County Transportation Authority local match but excludes operating assistance.

**Quarterly Grant Status Report
January through March 2006
Current Other Discretionary Grants**

DISCRETIONARY ALLOCATIONS					
South Coast Air Quality Management District Grant Program and Mobile Source Air Pollution Reduction Review Committee					
Provides grants for the purchase of clean fuel revenue vehicles and other activities to reduce mobile source emissions.					
CURRENT GRANT	STATE GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	REMAINING BALANCE	PROJECT STATUS
Fiscal Year 2004-05 Mobile Source Air Pollution Reduction Committee Contract # PT05063	\$ 603,500	-	\$ 603,500	\$ 603,500	The grant was awarded in February 2005 for \$150,000 to purchase and install 71 catalyzed diesel particulate filter systems in an effort to retrofit certain diesel-fueled buses. In subsequent action in June 2005, the Mobile Source Air Pollution Reduction Committee Board increased the amount of the award to \$603,500. Contract was executed on March 26, 2006. Project should go forward in Fiscal Year 2007. Buses to be modified are the 5200 series forty foot New Flyer and 7200 & 7400 series New Flyer sixty foot articulated vehicles.
Fiscal Year 2004-05 Mobile Source Air Pollution Reduction Committee Contract # MS05047	75,563	-	75,563	75,563	This grant provides \$75,563 to fund the modernization of an obsolete Liquefied Natural Gas displacement pump. Grant was submitted in September 2004 and awarded in January 2005. Pump is undergoing acceptance. A reimbursement request was submitted for \$68,007.
Fiscal Year 2004-05 Mobile Source Air Pollution Reduction Committee Contract # MSO5040	200,000	-	200,000	200,000	Funds the purchase of up to 25 buses at \$8,000 per bus that are fueled by natural gas. The Mobile Source Air Pollution Reduction Committee contract was executed on March 23, 2006.
2002-03 Mobile Source Air Pollution Reduction Committee Contract #MS03041	1,360,000	-	1,360,000	1,360,000	This grant funds 68 Liquefied Natural Gas Buses at \$20,000 each. On June 1, 2004, Orange County Transportation Authority executed a contract with Mobile Source Air Pollution Reduction Committee with an expiration date of 2008. A pending decision on fuel technology may change the decision on whether or not to use these funds.
2002-03 Mobile Source Air Pollution Reduction Committee Contract #MS03059	375,000	-	375,000	50,724	These grant funds are being used for the expansion of the Orange County Transportation Authority's Freeway Service Patrol Program. A total of five new freeway service patrol beats have been established which, will operate from 10:00 a.m. until 2:00 p.m.. The grant was approved by Air Quality Management District on June 6, 2003. The Orange County Transportation Authority executed the agreement on December 23, 2003. This project is proceeding.
2002-03 Mobile Source Air Pollution Reduction Committee Contract #MS04006	405,000	-	405,000	405,000	Funds 10 gasoline/electric hybrid buses at \$40,000 each plus \$5,000 for mechanical training. Contract signed by Orange County Transportation Authority on August 24, 2004. Contract was executed on November 9, 2004. Two vehicles have been received and are going through acceptance.
2002-03 South Coast Air Quality Management District Contract # TBD	1,000,000	-	1,000,000	1,000,000	Funds the expansion of the Liquefied Natural Gas fueling infrastructure at the Garden Grove and Anaheim facilities. Funds were awarded in October 2002. Orange County Transportation Authority submitted a request to Air Quality Management District on August 12, 2004, requesting to use the funds for Liquefied Natural Gas fuel tank upgrades. Air Quality Management District staff responded on September 29, 2004, agreeing to the scope change and also agreeing to allow funds to be used for new alternative fuel refueling infrastructure. The Air Quality Management District Board concurred with staff recommendation on December 3, 2004. Awaiting contract.

**Quarterly Grant Status Report
January through March 2006
Current Other Discretionary Grants**

DISCRETIONARY ALLOCATIONS					
Federal Highway Administration Grant Program (FHWA)					
Funds the development, implementation and deployment of Intelligent Transportation Systems (ITS) and Transit Enhancement Activities (TEA) for the PE ROW.					
CURRENT GRANT	STATE GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	REMAINING BALANCE	PROJECT STATUS
Fiscal Year 2003-04 Southern California Goods Movement Study	300,000	500,000	800,000	800,000	Southern California Association of Governments awarded the Partnership Planning Grant for the Goods Movement Study on November 29, 2004. A Memorandum of Understanding is being drafted with acceptance anticipated in the near future.
Traffic Congestion Relief Program					
Governor's Traffic Congestion Relief Program State funding for the SR-22 Project Advanced Planning Study					
Fiscal Year 2002	394,269	-	394,269	-	The advanced Planning Study for the SR-22 Project is complete and the final reimbursement was received on 1/15/2003.
Governor's Traffic Control Relief Program State funding for the SR-22 Project Planning, Construction, Construction Management, ROW					
Fiscal Year 2002	180,100,000	-	180,100,000	47,619,043	In July 2005, Orange County Transportation Authority was granted the remaining allocation of \$123.7 million of Traffic Congestion Relief Program funds. To date, Orange County Transportation Authority has been allocated \$180.1 million with \$4.9 million allocated to Caltrans for environmental and Quality Assurance and Quality Control activities. Reimbursements received to date total \$132.4 million against the following phases: Phase 2 (Preliminary Design and detailed Plans, Specifications and Estimates) at \$26.4 million and Phase 3 (Right of Way) at \$23.2 million, and Phase 4 (Initial Mobilization for Construction) at \$82.8 million. Staff has submitted a reimbursement for \$27.5 million for the following: Phase 4 at \$27.5 million.
Fiscal Year 2002 Environmental Justice Planning Grant Program					
California State Highway Account - Adult Day Health Care Center Transportation Plan					
Fiscal Year 2004	50,000	20,000	70,000	-	The comprehensive transportation plan for Adult Day Health Care Centers in Orange County has been completed and accepted.
State Transportation Improvement Program					
Programming, Planning, Monitoring					
Fiscal Year 2003 Program	3,500,000	-	3,500,000	1,419,006	Annual State Transportation Improvement Program allocation for the Programming, Planning, Monitoring program.
Fiscal Year 2004 Program	3,850,000	-	3,850,000	2,226,016	Annual State Transportation Improvement Program allocation for the Programming, Planning, Monitoring program.
Fiscal Year 2005 Program	3,820,000	-	3,820,000	-	Annual State Transportation Improvement Program allocation for the Programming, Planning, Monitoring program.
United States Department of Homeland Security					
These grants are to be used for the protection of the Orange County's transportation system and the hardening of OCTA's critical facilities.					
Fiscal Year 2003-04 Homeland Security Grant Program	250,000	-	250,000	250,000	Funding to install security video detection surveillance system equipment at three critical freeway under crossing bridges.
Federal Highway Administration Grant Program Congestion Mitigation Air Quality					
Federal funding for the SR-22 Project Construction					
Fiscal Year 2004	\$ 101,276,120	-	\$ 101,276,120	\$ 47,075,925	Funding for the construction of Carpool lanes on the State Route 22. Amount received to date is \$54,200,194.84. Reimbursement pending in the amount of \$5,439,296.46

**Quarterly Grant Status Report
January through March 2006
Current Other Discretionary Grants**

DISCRETIONARY ALLOCATIONS					
Federal Transit Authority Section 5313 (b) - Transit Planning Grant Program					
Caltrans is the Federal Grant Recipient					
Fiscal Year 2004	50,000	12,000	62,000	62,000	Funds are to be utilized for statewide planning and other technical assistance activities, planning support for non-urbanized areas, research, development and demonstration projects, fellowships for training in the public transportation field, and human resource development. Southern California Association of Governments is the recipient of these funds, with Orange County Transportation Authority as a sub-recipient.
Fiscal Year 2003-04	280,000	33,037	313,037	313,037	Funding to conduct a commuter rail needs assessment at 18 commuter rail stations located along the three Metrolink lines in Orange County. The study will assess demand for parking, transit feeder service, and transit oriented development. Southern California Association of Governments is the recipient of these funds, with Orange County Transportation Authority as management lead on the project.
Total	\$ 297,889,452	\$ 565,037	\$ 298,454,489	\$ 103,459,814	

Quarterly Grant Status Report January through March 2006

FEDERAL TRANSIT ADMINISTRATION SECTION 5307 GRANT FUNDS

Federal Transit Administration Section 5307 - Urbanized Area Formula Capital Grant Program

Note: Operating Assistance Only

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	FTA DATE PAID
Fiscal Year 2005 *	\$ 5,341,510	\$ 24,844,621	\$ 30,186,131	Oct. 4, 2005
Fiscal Year 2004 *	3,010,031	15,503,544	18,513,575	Aug. 30, 2004
Fiscal Year 2002-03	6,966,007	37,562,925	44,528,932	Aug. 21, 2003
Fiscal Year 2001 *	3,155,000	16,411,495	19,566,495	March 8, 2002
Fiscal Year 2000 *	-	-	-	Sept. 29, 2000
Formula Grants Sub-Total	\$ 18,472,548	\$ 94,322,585	\$ 112,795,133	

Note: * Includes ADA Paratransit Operating Assistance "ONLY"

**Quarterly Grant Status Report
January through March 2006
Federal Transit Administration Capital Grant Index**

GRANT NO.	DESCRIPTION	OBLIG. DATE	GRANT BUDGET	UNLIQUIDATED OBLIGATIONS	TOTAL OUTLAYS	TOTAL COMMIT/ COSTS	REMAINING BALANCE	PERCENT COMPLETE	ANTICIPATED
									CLOSE-OUT
CA-03-0561	Bus Purchase/Intermodal Facility	9/21/2000	5,031,979	1,942,990	2,603,241	4,546,231	485,748	51.73%	June '07
CA-03-0585	Irvine Transportation Center	9/26/2001	3,101,725	-	-	-	3,101,725	0.00%	December '07
CA-03-0626	Cities of Anaheim and Brea	8/25/2003	2,399,920	40,516	1,654,951	1,695,467	704,453	68.96%	March '08
CA-03-0685	Cities of Anaheim and Brea	8/25/2004	1,188,981	-	-	-	1,188,981	0.00%	August '06
CA-03-0709	2005 Section 5309 Bus Application	3/3/2006	5,382,915	1,286,700	-	1,286,700	4,096,215	0.00%	February '08
CA-90-X962	Program of Projects	9/25/2000	120,650,183	-	60,203,540	60,203,540	60,446,643	49.90%	March '07
CA-90-Y048	Program of Projects	3/4/2002	37,613,307	601,755	19,934,053	20,535,808	17,077,499	53.00%	March '08
CA-90-Y163	Program of Projects	8/14/2003	156,079,305	3,227,426	144,942,284	148,169,710	7,909,595	92.86%	March '08
CA-90-Y237	Program of Projects	8/19/2004	59,188,821	1,487,528	45,753,198	47,240,726	11,948,095	77.30%	March '08
CA-90-Y349	Program of Projects	9/22/2005	98,992,907	41,710	22,036,267	22,077,977	76,914,930	22.26%	March '11
TOTALS			\$489,630,043	\$ 8,628,625	\$297,127,534	\$ 305,756,159	\$ 183,873,884	60.68%	

(thru March 31, '06)



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
WK

From: Wendy Knowles, Clerk of the Board

Subject Resolution to Establish the Orange County Transportation Authority
General Fund Appropriations Limitation for Fiscal Year 2006-07

Finance and Administration Committee

May 24, 2006

Present: Directors Campbell, Cavecche, Correa, Duvall, and Wilson
Absent: Director Pringle

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Adopt Orange County Transportation Authority Resolution No. 2006-33 to establish the Orange County Transportation Authority General Fund appropriations limit at \$7,402,156 for fiscal year 2006-07.



May 24, 2006

To: Finance and Administration Committee

From: Arthur T. Leahy, ^{ATL} Chief Executive Officer

Subject: Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limitation for Fiscal Year 2006-07

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIII B at a regularly scheduled meeting.

Recommendation

Adopt Orange County Transportation Authority Resolution No. 2006-33 to establish the Orange County Transportation Authority General Fund appropriations limit at \$7,402,156 for fiscal year 2006-07.

Background

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The proposition created Article XIII B of the California Constitution which is also known as the Gann appropriations limitation.

Both the Article XIII B appropriations limit and its implementing legislation were modified by Proposition 111, approved by voters in 1990. The law specifies that the appropriations of revenues, "proceeds of taxes" by state and local governments, may only increase annually by a limit based on a factor comprised of the change in population and the change in California per capita personal income. The appropriation limit includes any interest earned from the investment of the proceeds of taxes and must be reviewed during the annual financial audit.

Discussion

In accordance with the requirements of Article XIII B, a resolution has been prepared and is attached for review (Attachment A). The resolution establishes the Orange County Transportation Authority (OCTA) General Fund appropriations limit for fiscal year (FY) 2006-07 at \$7,402,156, excluding federal grant funds and other funds to be received from sources not subject to the appropriations limitation.

Based on the FY 2006-07 approved budget for the General Fund, appropriations subject to limitation equal \$4,890,783. Proceeds of taxes subject to the appropriations limitation consist of a transfer of \$4,552,783 in ¼ cent sales tax revenues from the Orange County Local Transportation Fund (OCLTF) to the General Fund for administration and planning and programming of the Local Transportation Fund plus \$338,000 in interest earned on the proceeds of these taxes. Attachment B shows the calculation of the FY 2006-07 OCTA General Fund appropriations limit. The change in population and change in California per capita personal income rates were obtained from the State of California, Department of Finance.

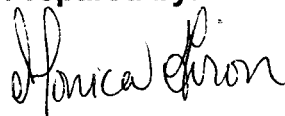
Summary

Staff recommends adoption of the Orange County Transportation Authority General Fund Resolution No. 2006-33, which will establish the fiscal year 2006-07 appropriation limit at \$7,402,156.

Attachments

- A. Resolution of the Orange County Transportation Authority General Fund Establishing Appropriations Limit for Fiscal Year 2006-07.
- B. Orange County Transportation Authority General Fund Fiscal Year 2006-07 Gann Appropriations Limitation .

Prepared by:



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(714) 560-5905

Approved by:



James S. Kenan
Executive Director, Finance,
Administration and Human Resources
(714) 560-5678

**RESOLUTION OF THE
ORANGE COUNTY TRANSPORTATION AUTHORITY GENERAL FUND
ESTABLISHING APPROPRIATIONS LIMIT FOR
FISCAL YEAR 2006-07**

WHEREAS, Article XIII B of the California Constitution and Sections 7900 through 7913 of the California Government Code require the establishment of an appropriations limit; and

WHEREAS, appropriations limits are applicable to funds received from the proceeds of taxes and interest earned on such proceeds.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Orange County Transportation Authority/General Fund hereby determines that pursuant to Section 7902b of the California Government Code, the appropriations limit for the Orange County Transportation Authority/General Fund for Fiscal Year 2006-07 is \$7,402,156.
2. The total amount authorized to be expended by the Orange County Transportation Authority/General Fund during Fiscal Year 2006-07 from the proceeds of taxes, including interest earned from the investment of the proceeds of taxes, is \$4,890,783.
3. The appropriations limit for Fiscal Year 2006-07 exceeds proceeds of taxes for Fiscal Year 2006-07 by \$2,511,373.

ADOPTED, SIGNED, AND APPROVED this 12th day of June 2006.

AYES:

NOES:

ABSENT:

ATTEST:

Wendy Knowles
Clerk of the Board

Art Brown, Chairman
Orange County Local Transportation Authority

**ORANGE COUNTY TRANSPORTATION AUTHORITY/GENERAL FUND
FISCAL YEAR 2006-07
GANN APPROPRIATIONS LIMITATION**

A. PER CAPITA CHANGE

California per capita
personal income change 3.96%

B. POPULATION CHANGE

County of Orange 0.83%

C: GANN CALCULATION

Per capita change:	3.96%	Converted to ratio:	1.0396
Population change:	0.83%	Converted to ratio:	1.0083
Gann factor for Fiscal Year 2006-07		$1.0396 \times 1.0083 =$	1.0482

Fiscal Year 2005-06 APPROPRIATIONS LIMIT \$7,061,585

Ratio of change 1.0482

Fiscal Year 2006-07 APPROPRIATIONS LIMIT \$7,402,156



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: Wendy Knowles^{WK}, Clerk of the Board
Subject Amendment to Agreement for Financial Advisory Services

Finance and Administration Committee

May 10, 2006

Present: Directors Campbell, Correa, Cavecche, Duvall, and Wilson
Absent: Director Pringle

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-3-0554 between the Orange County Transportation Authority and Sperry Capital Incorporated to provide financial and investment advisor services to the Orange County Transportation Authority.



May 10, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Agreement for Financial Advisory Services

Overview

In July 2003, the Orange County Transportation Authority executed an agreement with Sperry Capital Incorporated to provide financial and investment advisory services to the Orange County Transportation Authority. Sperry Capital Incorporated was retained in accordance with the Orange County Transportation Authority's procurement procedures for a period of three years with a two-year option. Funds have been set aside in the proposed fiscal year 2006-07 budget for these services.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-3-0554 between the Orange County Transportation Authority and Sperry Capital Incorporated to provide financial and investment advisor services to the Orange County Transportation Authority.

Background

In 2003, the Orange County Transportation Authority (Authority) issued a Request for Proposals (RFP) for financial and investment advisory services. Notifications were sent to 454 financial advisory firms and an advertisement was included in The Orange County Register. The Authority's financial and investment advisor is responsible for providing analysis, consultation and support for financial, investment, and other related matters affecting capital and operating decisions.

The selection of Sperry Capital was based upon their extensive experience with sales tax issuances, their understanding of the Authority's debt and investment programs, and their lead professional having over 25 years of general experience in the public finance industry. The Authority has issued over \$1.3 billion in debt and currently has approximately \$600 million outstanding.

Sperry Capital has been involved with a number of the Authority's debt issuances as well as the annual trips to New York to meet with the investment community.

Discussion

This procurement was originally handled in accordance with the Authority's procedures for professional services. The original agreement was awarded on a competitive basis in 2003. Since then, Sperry Capital has assisted the Authority on a number of issues and was an integral part of the refinancing team associated with the 91 Express Lanes debt.

Over the past several years, Sperry Capital has acquired a thorough knowledge of the 91 Express Lanes and the Authority's Measure M debt structure. In November 2003, Sperry Capital served as the financial advisor to the Authority's refinancing of the 91 Express Lanes debt. Sperry Capital was initially involved with the acquisition and negotiation process of the toll lanes in 2002 and 2003. The refinancing transaction saved the Authority, in present value terms, approximately \$24 million in debt service costs.

Sperry Capital also has provided valuable input regarding the Authority's annual presentation to the financial community. Every year, the Authority provides a comprehensive presentation updating the progress of the Authority's programs and services to rating agencies, insurers, and investors. The annual meetings provide the Authority the opportunity to discuss both positive and negative issues facing the Authority and the Orange County economy.

Over the next year, the Authority anticipates needing financial advisory services on issues related to the renewed Measure M sales tax and for assistance with the ongoing requirements for the investor relations program. If the need arises in the coming years to advance sales taxes, then the services of a financial advisory firm would be required. By exercising this option, the Authority will continue to use Sperry Capital as an independent third party source for reviewing financially related issues.

Fiscal Impact

Funds for these services have been included in the proposed fiscal year (FY) 2006-07 budget. The Local Transportation Authority has \$156,000 in the proposed budget, \$24,000 is included in the Treasury/Public Finance proposed budget, and \$36,000 is in the proposed 91 Express Lanes budget. Although a total of \$216,000 has been budgeted for FY 2006-07 for these services, Sperry Capital will only be used on an as needed basis.

Summary

Over the past three years, Sperry Capital has assisted the Authority with numerous advisory projects. Staff recommends the Board approve Amendment No. 2 exercising the two-year extension option on Agreement C-3-0554 with Sperry Capital for continuing financial and investment advisory services.

Attachment

- A. Sperry Capital Agreement C-3-0554 Fact Sheet

Prepared by:



Kirk Avila
Treasurer
Treasury/Public Finance
(714) 560-5674

Approved by:



James S. Kenan
Executive Director, Finance,
Administration and Human Resources
(714) 560-5678

**Sperry Capital
Agreement C-3-0554
Fact Sheet**

1. July 14, 2003, Agreement C-3-0554, approved by the Board of Directors for three years plus a two-year option extension
 - To provide financial and investment advisor services to the Authority
2. December 24, 2004, Amendment No. 1 to Agreement C-3-0554, approved by Purchasing Agent
 - To clarify payment language in the agreement regarding expenses
3. May 22, 2006, Amendment No. 1 to Agreement C-3-0554, pending approval by the Board of Directors
 - To exercise option term



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board ^{WK}
Subject Resolution to Establish the Orange County Local Transportation Authority Measure M Appropriations Limitation for Fiscal Year 2006-07

Finance and Administration Committee

May 24, 2006

Present: Directors Campbell, Cavecche, Correa, Duvall, and Wilson
Absent: Director Pringle

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Adopt Orange County Local Transportation Authority Measure M Resolution No. 2006-32 to establish the Orange County Local Transportation Authority Measure M appropriations limit at \$1,122,895,973, for fiscal year 2006-07.



May 24, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, ^{PLV} Chief Executive Officer
Subject: Resolution to Establish the Orange County Local Transportation Authority Measure M Appropriations Limitation for Fiscal Year 2006-07

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIII B at a regularly scheduled meeting.

Recommendation

Adopt Orange County Local Transportation Authority Measure M Resolution No. 2006-32 to establish the Orange County Local Transportation Authority Measure M appropriations limit at \$1,122,895,973, for fiscal year 2006-07.

Background

In November 1979 the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The proposition created Article XIII B of the California Constitution, which is also known as the Gann appropriations limitation.

Both the Article XIII B appropriations limit and its implementing legislation were modified by Proposition 111, approved by voters in 1990. The law specifies that the appropriations of revenues, "proceeds of taxes" by state and local governments, may only increase annually by a limit based on a factor comprised of the change in population and the change in California per capita personal income. The appropriation limit includes any interest earned from the investment of the proceeds of taxes and must be reviewed during the annual financial audit.

**Resolution to Establish the Orange County Local
Transportation Authority Measure M Appropriations Limitation
for Fiscal Year 2006-07**

Page 2

Discussion

In accordance with the requirements of Article XIII B, a resolution has been prepared and is attached for review (Attachment A). The resolution establishes the Orange County Local Transportation Authority Measure M appropriations limit for fiscal year (FY) 2006-07 at \$1,122,895,973, excluding federal grant funds and other funds to be received from sources not subject to the appropriations limitation. Appropriations subject to limitation do not include appropriations for debt service, costs of complying with the mandates of the courts or the federal government, or capital outlay projects.

Based on the FY 2006-07 approved budget for the Local Transportation Authority Measure M fund, appropriations subject to limitation equal \$313,067,520. This amount consists of \$296,172,520 in Measure M ½ cent sales taxes and \$16,895,000 in interest estimated to be received in FY 2006-07. Attachment B shows the calculation of the FY 2006-07 Orange County Local Transportation Authority Measure M appropriations limit. The change in population and change in California per capita personal income rates were obtained from the State of California, Department of Finance.

Summary

Staff recommends adoption of the Orange County Local Transportation Authority Measure M Resolution No. 2006-32, which will establish the fiscal year 2006-07 appropriation limit at \$1,122,895,973.

Attachments

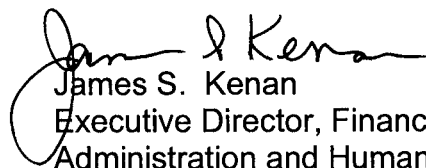
- A. Resolution of the Orange County Transportation Authority General Fund Establishing Appropriations Limit for Fiscal Year 2006-07.
- B. Orange County Transportation Authority General Fund Fiscal Year 2006-07 Gann Appropriations Limitation.

Prepared by:



Monica Giron
Associate Financial Analyst
Financial Planning & Analysis
(714) 560-5905

Approved by:



James S. Kenan
Executive Director, Finance,
Administration and Human Resources
(714) 560-5678

**RESOLUTION OF THE
ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY MEASURE M
ESTABLISHING APPROPRIATIONS LIMIT FOR
FISCAL YEAR 2006-07**

WHEREAS, Article XIII B of the California constitution and Sections 7900 through 7913 of the California Government Code require the establishment of an appropriations limit; and

WHEREAS, appropriations limits are applicable to funds received from the proceeds of taxes and interest earned on such proceeds.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Orange County Local Transportation Authority/Measure M hereby determines that pursuant to Section 7902b of the California Government Code, the appropriations limit for the Orange County Local Transportation Authority/Measure M for Fiscal Year 2006-07 is \$1,122,895,973.
2. The total amount authorized to be expended by the Orange County Local Transportation Authority/Measure M during the Fiscal Year 2006-07 from the proceeds of taxes, including interest earned from the investment of the proceeds of taxes, is \$313,067,520.
3. The appropriations limit for Fiscal Year 2006-07 exceeds proceeds of taxes for Fiscal Year 2006-07 by \$809,828,453.

ADOPTED SIGNED AND APPROVED this 12th day of June 2006.

AYES:

NOES:

ABSENT:

ATTEST:

Wendy Knowles
Clerk of the Board

Art Brown, Chairman
Orange County Local Transportation Authority

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY MEASURE M
FISCAL YEAR 2006-07
GANN APPROPRIATIONS LIMITATION**

A. PER CAPITA CHANGE

California per capita
personal income change 3.96%

B. POPULATION CHANGE

County of Orange 0.83%

C: GANN CALCULATION

Per capita change: 3.96% Converted to ratio: 1.0396
Population change: 0.83% Converted to ratio: 1.0083

Gann factor for Fiscal Year 2006-07 $1.0396 \times 1.0083 =$ 1.0482

Fiscal Year 2005-06 APPROPRIATIONS LIMIT \$1,071,231,874

Ratio of change 1.0482

Fiscal Year 2006-07 APPROPRIATIONS LIMIT \$1,122,895,973



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors

From: WK
Wendy Knowles, Clerk of the Board

Subject Review of Transit Maintenance Tire Lease and Service

Finance and Administration Committee

May 24, 2006

Present: Directors Campbell, Cavecche, Correa, Duvall, and Wilson

Absent: Director Pringle

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file the March 29, 2006, Operations Maintenance Tire Lease and Service - Internal Audit Report No. 06-014.



May 24, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Review of Transit Maintenance Tire Lease and Service

Overview

Internal Audit has completed a review of the Transit Division, Maintenance Department tire lease and service process. Recommendations have been made to strengthen internal controls.

Recommendation

Receive and file the March 29, 2006, Operations Maintenance Tire Lease and Service - Internal Audit Report No. 06-014.

Background

The Orange County Transportation Authority (OCTA) contracts with Bridgestone/Firestone to provide tires for all buses and to provide service staff to mount and dismount the tires and paint or powder coat steel wheels, as requested by OCTA. OCTA is invoiced on a monthly basis and is charged a fixed rate per mile for each tire that is used. There is also a fixed monthly cost to provide service workers at each base to maintain the tires on the buses. The total value of the current contract is \$10,238,647.

Discussion

Internal Audit made recommendations to clarify in the contract whether sales tax is included in the fixed price or is additional, and that OCTA should not authorize any service not supported by the contract. Internal Audit also recommended that uniform procedures be used at all bases to monitor the required service level, and that reports of damaged tires be shared with additional staff at the bases prior to payments being made.

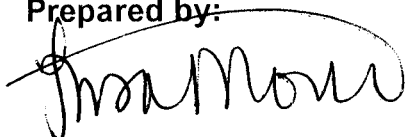
Summary

Based on the review, internal controls were generally adequate to ensure the safeguarding of Orange County Transportation Authority's assets. Internal Audit offered some recommendations, which management staff indicated would be implemented.

Attachments


- A. Operations Maintenance Tire Lease and Service, Internal Audit Report No. 06-014
- B. Operations Maintenance Tire Lease and Service, Internal Audit Report No. 06-014, Audit Close-out Memo

Prepared by:



Lisa Monteiro
Manager, Internal Audit
(714) 560-5669

Approved by:




Richard J. Bacigalupo
Deputy Chief Executive Officer
(714) 560-5901



INTEROFFICE MEMO

March 29, 2006

To: William Foster, General Manager
Operations

From: Gerry Dunning, Senior Internal Auditor 
Internal Audit

Subject: **Operations Maintenance Tire Lease and Service - Internal Audit Report No. 06-014**

Conclusion

The Internal Audit Department has completed a review of controls being used to manage Orange County Transportation Authority's (OCTA) Agreement C-4-1065 with Bridgestone/Firestone North American Tire, LLC. **In Internal Audits opinion**, the controls over the payment of invoices for bus tire lease and service is generally adequate to ensure the safeguarding of OCTA's assets. Based on the review, however, **Internal Audit is recommending** improvements that will strengthen internal controls.

Background

The Maintenance Department staff includes mechanics, service workers, body mechanics, upholstery, farebox and facilities technicians. The department is responsible for the repair and service of all vehicles and facilities owned by OCTA. As a result of the preliminary survey and suggestions from Maintenance management, we directed our audit effort to the bus tire lease and related service work.

The lease of tires at transit agencies has been a common practice for many years. The current OCTA contract includes the lease of tires for all buses, the providing of service staff to mount and dismount the tires and the painting or powder coating of steel wheels as requested by OCTA. The pricing is based on an agreed-upon rate per mile for each tire/wheel. The current inventory of active tires/wheels in service is approximately 6,272. The service staff required by this contract is nine service workers. This includes one lead person and two service workers at each of the four bases for a total of nine. OCTA pays a fixed amount each month for the level of effort provided by the nine service workers.

OCTA is invoiced monthly based on the actual miles used for each tire/wheel. The mileage for each bus is provided to the vendor from data collected by the OCTA, "Ward Fuel Management System". OCTA staff is able to estimate the monthly invoice amount and compare this to the monthly invoice received from the vendor. OCTA also pays for any tires that are determined to be damaged by OCTA and not considered normal wear and tear.

The current contract to provide tires and service is with Bridgestone/Firestone, and the average monthly cost of this contract is approximately \$170,000. The total value of the current contract is \$10,238,647 and includes three initial years and two option years. This contract was effective May 1, 2005, and with the option years, will continue through April 30, 2010.

There are five primary types of charges that are allowable according to the contract terms. They are as follows:

Fixed monthly cost

- Fixed monthly cost of nine service workers at three OCTA bases and Laidlaw is \$35,549.

Variable average monthly costs for first eight months

- The actual tire mileage used multiplied by a fixed rate for each size tire has averaged \$118,260.
- Tires damaged by OCTA has averaged \$7,408.
- Tires sold to OCTA when buses are sold has averaged \$470.
- Painting and powder coating of wheels as needed. None so far.

Purpose and Scope

Our audit objective was to conduct an audit based on the results of a survey of the Maintenance area within the Transit Operations Division. The preliminary survey included reviewing the organization budget and major contracts for the maintenance area. We determined that the audit would focus on OCTA's contract with Bridgestone/Firestone to provide tires and tire service for all of the OCTA buses. Our audit scope included, but was not limited to, reviewing the following areas:

- Management and control of the contract.
- Documentation of the payment process for the invoices.
- Review of supporting detail for the above payments.
- Discussions with maintenance management at the bases.

- Review of reports provided to each base for this service.

Our audit work included reviewing agreements and invoices, interviewing key personnel and testing sample source documents for Agreement C-4-1065 with Bridgestone/Firestone. The period reviewed was for the period starting May 1, 2005, through invoices paid as of February 8, 2006.

The audit was performed as part of the continuing work of Internal Audit to assist management in the discharge of their responsibilities and to protect the integrity of OCTA's operations and assets.

Observations and Recommendations

Payment of the State of California Sales Tax and Tire Fee

The State of California Sales tax is being paid by OCTA for new tires that are delivered to the OCTA bases. Bridgestone/Firestone invoices OCTA for sales tax on all new tires delivered to the bases. The State of California Tire Fee of \$1.75 per tire is being paid by OCTA when new tires are delivered to OCTA.

As an example of this, OCTA received 76 tires at the Garden Grove base on October 17, 2005. We later received one invoice for the sales tax for these tires for \$577.33, and a second invoice for the tire fee for \$133.00 for these same tires which was paid for by OCTA. When the tires are mounted on an OCTA bus, we then pay the fixed rate per mile to lease the same tires.

Neither the sales tax nor the tire fees were included in the price proposal by Bridgestone/Firestone or the agreement approved by OCTA. Our understanding is that OCTA has been paying these fees for many years on this contract and the prior contract. The Request For Proposal mentions that proposals are subject to state and local taxes. The costs related to these taxes and tire fees are several thousand dollars each year.

Recommendation No. 1

Internal Audit recommends that OCTA should verify with the vendor that these taxes and fees are not included in the fixed rate per mile that is paid each month for the lease of the tires.

Recommendation No. 2

Internal Audit recommends that if the sales tax and tire fees are included in the fixed lease rate, the duplicate payments should be recovered from the vendor.

Recommendation No. 3

Internal Audit recommends that if the taxes and tire fees are not included in the fixed rate, the contract should be amended to include the sales tax and tire fees as part of the terms of the agreement.

Recommendation No. 4

Internal Audit recommends that any future tire contracts should detail in the "Price Summary Sheet" of the contract all taxes, tire fees or any other charges that are going to be included in the cost of the lease.

Subcontractor was not included in the proposal or the agreement

A subcontractor that provides retread tires to Bridgestone/Firestone was not disclosed in the contract. Bandag, Incorporated appears to be the primary provider of retread tires to OCTA as subcontractor to Bridgestone/Firestone. For the months of October and November 2005, a total of 179 retread tires were delivered to OCTA from Bandag as part of this contract.

Recommendation No. 5

Internal Audit recommends that the contract should be amended to include Bandag, Incorporated as the primary subcontractor for retread tires.

Service level required by the contract

There is not a uniform process at all bases of monitoring the service level required by the contract terms. The agreement requires that the contractor provide two technicians at each base and one lead worker for a total of nine staff at the bases. A review of the contractor payroll registers for the 35 weeks ending January 21, 2006, showed an average of 8.6 technicians per week were available at OCTA for work on the contract. With overtime hours included, the contractor staff were available 99 percent of the hours required by the contract for this same 35 weeks. The contract requires that the

technicians check in and out with the OCTA supervisor on duty. At least one of the bases uses a sign-in log for the contractor staff to sign in and sign out on a daily basis.

Recommendation No. 6

Internal Audit recommends that all bases use a uniform procedure for signing in and out each day for each shift. This information can be provided to the Operations Analyst in Orange who reviews and approves the monthly invoice from the contractor. This documentation can be used as support that the contractor is meeting the minimum service level of the contract.

Damaged tires purchased by OCTA

The terms of the contract require that "Tires which are damaged beyond repair resulting from accident and fire or have been lost, sold, or purchased shall be paid for by the Authority". OCTA purchased 367 tires for a total cost of \$50,921.94 for the period from July 2005, through January 2006. Bridgestone/Firestone staff prepares a list of tires that are to be sold at each base. The Operations Analyst in Orange approves reports of damaged tires and the tires are paid for when invoiced. There is no indication that the base maintenance staff receives a copy of the damaged tire report that supports the invoice. This report has the bus number, the tire serial number, the tread remaining and the removal code indicated for each tire.

Recommendation No. 7

Internal Audit recommends that copies of the damaged tire listing be forwarded back to the appropriate base maintenance manager for review and approval of the tires being paid for. This information can then be shared with the base Maintenance staff and with Operations to help determine any trends in the damage of the tires. The approved report can then be sent back to the Operations Analyst in Orange for documentation to support the payment to Bridgestone/Firestone.

Summary

Based on our review, the controls over the payments made for the tire lease and service contract are adequate; however, the control environment could be improved. Internal Audit has made the above recommendations to help enhance the process streamlining the paperwork flow.

We appreciate the cooperation we received from Maintenance, CAMM and Accounting staff on this review.

We would appreciate that the General Manager of Operations replies to our recommendations by April 13, 2006. Responses should be directed to Gerry Dunning, Senior Internal Auditor.

Audit performed by: Gerry Dunning, In-Charge Auditor
Assisted by Maria Robledo

c: Rick Bacigalupo
Virginia Abadessa
Bob Duffy
Wendy Hebein
Al Pierce
Doug Riede
Dave Young



INTEROFFICE MEMO

April 28, 2006

To: John D. Byrd, General Manager
Transit Operations

From: Gerry Dunning, Senior Internal Auditor *GD*
Internal Audit

Subject: **Operations Maintenance Tire Lease and Service
Close-out Memo, Internal Audit Report No. 06-014**

Internal Audit has received and concurs with management's responses to the recommendations issued in the review of the Operations Maintenance Tire Lease and Service process, Internal Audit Report No. 06-014.

OCTA management has considered the recommendations and will be taking actions to improve the process. A new amendment to the contract will be issued to include a change to the Price summary sheet to clarify the payment of taxes and to add the additional subcontractor to the contract. Maintenance has agreed to incorporate a uniform sign-in program for the tire contract staff and OCTA staff will verify damaged tire charges against maintenance records.

Internal Audit appreciates the response and cooperation received by Operations, Accounting and CAMM staff during this review. Internal plans to do a follow-up review within the next six months to verify the changes that are planned.

Attachment: Management Response Memo Dated April 19, 2006

c: Rick Bacigalupo
Jim Kenan
Virginia Abadessa
Wendy Hebein
Lisa Monteiro
Al Pierce
Doug Riede
Dave Young



INTEROFFICE MEMO

April 19, 2006

To: Gerry Dunning, Senior Internal Auditor, Internal Audit

From: John D. Byrd, General Manager, Transit Operations

Subject: **Response to Internal Audit Report No. 06-014
(Tire Lease and Service)**

Here are the responses to Internal Audit Report on tire lease and service.

Recommendation 1 – Bridgestone/Firestone confirmed that the taxes are billed to OCTA when the tires ship to the various bases. The taxes and fees are not included in the lease rate. The taxes and fees are calculated based on the material cost of the tires. This practice of billing and payment of taxes and fees has been in place for many years at OCTA.

Recommendation 2 – Because the taxes were not included in the fees, no additional monies are due to OCTA. By billing separately the taxes on tire shipment and for the material cost of the tires, OCTA is paying the lowest possible tax for this service.

Recommendation 3 – CAMM agrees with the recommendation. The next Amendment will clarify the billing and payment of all taxes. The Amendment will be issued by the end of April, following receipt of an approved requisition from Maintenance.

Recommendation 4 – Noted, future price summary sheets will delineate all payments.

Recommendation 5 – The additional subcontractor will be added to the contract on the next Amendment. The Amendment to be issued by the end of April, following receipt of an approved requisition, and will be combined with the change to the Price Summary Sheet mentioned in the response to Recommendation 3 above.

Recommendation 6 - Maintenance will incorporate a sign-in/time card program for tire contract employees. That information will be made available to the Operations Analyst.

Recommendation 7 - Maintenance and Operations Analyst will verify damaged tire charges against maintenance records and use the information to support payment and identify trends.



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Agreement for Concrete Pavement Reconstruction at the Garden Grove and Anaheim Bases

Transit Planning and Operations Committee

May 25, 2006

Present: Directors Brown, Duvall, Green, Norby, and Winterbottom
Absent: Directors Pulido and Silva

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0105 between the Orange County Transportation Authority and Damon Construction, the lowest responsive, responsible bidder, in an amount not to exceed \$989,000, for concrete pavement reconstruction at the Garden Grove and Anaheim bases.



May 25, 2006

To: Transit Planning and Operations Committee

From: Arthur T. Leahy, Chief Executive Officer
ATL/EZ

Subject: Agreement for Concrete Pavement Reconstruction at the Garden Grove and Anaheim Bases

Overview

As a part of the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, the Board approved concrete pavement reconstruction at the Garden Grove and Anaheim bases. Bids were received in accordance with the Orange County Transportation Authority's public works procurement procedures.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0105 between the Orange County Transportation Authority and Damon Construction, the lowest responsive, responsible bidder, in an amount not to exceed \$989,000, for concrete pavement reconstruction at the Garden Grove and Anaheim bases.

Background

The Orange County Transit District, predecessor to the Orange County Transportation Authority (Authority), completed construction of the Garden Grove Base and the Anaheim Base in 1977 and 1983, respectively. A facility audit completed in November 2004, indicated that a portion of the concrete pavement has deteriorated and is in a dilapidated condition, and requires reconstruction. On June 28, 2005, the Authority executed a Contract Task Order with Miralles Associates to provide design and construction support services for the reconstruction of concrete pavement at the Garden Grove and Anaheim bases. The project consists of reconstruction of concrete pavement in critical Authority bus servicing and parking areas.

Discussion

This procurement was handled in accordance with the Authority's procedures for public works and construction projects, which conform to state requirements. Public works projects are handled as sealed bids and award is made to the lowest responsive, responsible bidder. On April 6, 2006, Invitation For Bids 6-0105 was released and posted on CAMMNET, and an electronic notification was sent to 572 Firms. The project was advertised on April 10 and April 18, 2006, in a newspaper of general circulation. A pre-bid conference and job walk was held on April 13, 2006, and was attended by five firms. Addendum No. 1 and Addendum No. 2 were issued on April 25 and May 1, 2006, respectively, to address administrative issues, respond to questions, and provide clarifications to the plans and specifications. On May 8, 2006, four bids were received. The bids were reviewed by the staff from Construction & Engineering, and Contracts Administration and Materials Management departments to ensure compliance with the terms and conditions, specifications, and drawings. Listed below are the three low bids received. State law requires award to the lowest responsive, responsible bidder.

<u>Firm and Location</u>	<u>Bid Price</u>
Damon Construction Cypress, California	\$989,000
4-Con Engineering, Inc. Riverside, California	\$1,157,000
Nobest, Inc. Westminster, California	\$1,235,000

Fiscal Impact

The project was approved in the Authority's Fiscal Year 2005-06 Budget, Construction & Engineering, Account 1722-9022-D3107-9R7, and is funded through the Orange County Transit District.

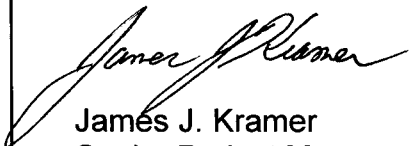
Summary

Staff has reviewed all bids and recommends approval of Agreement C-6-0105, in the amount of \$989,000, with Damon Construction, the lowest responsive, and responsible bidder, for concrete pavement reconstruction at the Garden Grove and Anaheim bases.

Attachment

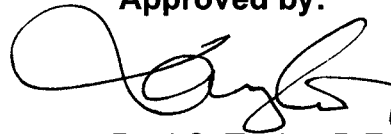
None.

Prepared by:



James J. Kramer
Senior Project Manager
(714) 560-5866

Approved by:



Paul C. Taylor, P.E.
Executive Director, Planning,
Development and Commuter Services
(714) 560-5431



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: Wendy Knowles^{WK}, Clerk of the Board
Subject: Agreement for Restroom Supplies

Transit Planning and Operations Committee

May 25, 2006

Present: Directors Brown, Duvall, Green, Norby, and Winterbottom
Absent: Directors Pulido and Silva

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Authorize the Chief Executive Officer to execute Agreement D-6-0182 between the Orange County Transportation Authority and Kathco Products, in an amount not to exceed \$105,000, for the purchase of restroom supplies required for a one-year period with two option years.
- B. Authorize the Chief Executive Officer to execute Agreement D-6-0380 between the Orange County Transportation Authority and Gale Supply Company, in an amount not to exceed \$35,000, for the purchase of restroom supplies required for a one-year period with two option years.



May 25, 2006

To: Transit Planning and Operations Committee
From: ^{ML/EZ} Arthur T. Leahy, Chief Executive Officer
Subject: Agreement for Restroom Supplies

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, the Board approved the purchase of restroom supplies.

Recommendations

- A. Authorize the Chief Executive Officer to execute Agreement D-6-0182 between the Orange County Transportation Authority and Kathco Products, in an amount not to exceed \$105,000, for the purchase of restroom supplies required for a one-year period with two option years.
- B. Authorize the Chief Executive Officer to execute Agreement D-6-0380 between the Orange County Transportation Authority and Gale Supply Company, in an amount not to exceed \$35,000, for the purchase of restroom supplies required for a one-year period with two option years.

Background

The Orange County Transportation Authority's (Authority) owned facilities include three directly operated maintenance and operations bases, located in Anaheim, Garden Grove, and Santa Ana, and eight transportation center/park and ride facilities which are located throughout Orange County. Each of these facilities have restrooms which require paper products and consumable supplies used by Authority personnel and the general public on a daily basis. A qualified vendor is needed to supply the restroom paper products and consumable supplies.

Discussion

This procurement was handled in accordance with the Authority's procedures for sealed bids.

The project was advertised on March 11, 2006, and March 20, 2006, in a newspaper of general circulation, and on CAMMNET. No pre-bid meeting was conducted for this procurement.

On April 18, 2006, 14 bids were received. The purchase of restroom supplies was handled as a sealed bid and it is in the Authority's best interest to split this award between the two lowest responsive, responsible bidders. Kathco Products was the lowest responsive, responsible bidder for ten of the line items solicited and Gale Supply Company was lowest responsive, responsible bidder for nine of the line items solicited. By splitting this award, the Authority will save approximately \$4,400 during the term of the contract. Based on this determination and finding, staff recommends the following firms for consideration of an award:

Firm and Location

Kathco Products
Commerce, California

Gale Supply Company
Los Angeles, California

Fiscal Impact

The project was approved in the Authority's Fiscal Year 2005-06 Budget, Operations Division, Account 7799, and is funded through the Local Transportation Fund.

Summary

Based on the information provided, staff recommends approval to issue two agreements as follows:

- Award agreement D-6-0182, in the amount of \$105,000, for a one-year period with two one-year options with Kathco Products, the lowest responsive and responsible bidder for ten of the restroom supplies required.

- Award agreement D-6-0380, in the amount of \$35,000, for a one-year period with two one-year options with Gale Supply Company, the lowest responsive and responsible bidder for nine of the restroom supplies required.

Attachment

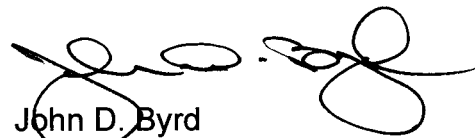
None.

Prepared by:



Al Pierce
Manager, Maintenance
714-560-5975

Approved by:



John D. Byrd
General Manager, Transit
714-560-5341



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement for Janitorial Services

Transit Planning and Operations Committee

May 11, 2006

Present: Directors Brown, Green, Norby, Silva, and Winterbottom
Absent: Directors Duvall and Pulido

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 7 to Agreement C-2-1189 between the Orange County Transportation Authority and Diamond Contract Services, Inc., in an amount not to exceed \$370,000, to extend the contract from June 30, 2006, to December 31, 2006, for janitorial services at all Orange County Transportation Authority owned facilities.



May 11, 2006

To: Transit Planning and Operations Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Agreement for Janitorial Services

Overview

On February 6, 2003, the Board of Directors approved an agreement with Diamond Contract Services, Inc., to provide janitorial services at all Orange County Transportation Authority owned facilities for a one-year period with two one-year options.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 7 to Agreement C-2-1189 between the Orange County Transportation Authority and Diamond Contract Services, Inc., in an amount not to exceed \$370,000, to extend the contract from June 30, 2006, to December 31, 2006, for janitorial services at all Orange County Transportation Authority owned facilities.

Background

The Orange County Transportation Authority (Authority) owned facilities include four large bus maintenance and operations bases and eight transit centers and park and ride facilities throughout Orange County. These facilities require janitorial services on a daily basis. The Authority requires the vendor to furnish a qualified labor force sufficient in number to complete all specified requirements in the prescribed time and to furnish all materials and equipment to perform these services.

Agreement C-2-1189 was established to provide on-going janitorial services for the Authority's bases, transportation centers, and park and ride facilities. The current agreement expires on June 30, 2006.

Discussion

In order to accommodate the Board of Directors pursuit to provide health care coverage for contractor employees, the existing contract with Diamond Contract Services, Inc., must be extended while the details of providing health insurance are identified. Contracts Administration and Materials Management recommends a six-month extension to allow for these health insurance activities.

Diamond Contract Services, Inc., has agreed to extend the term of the Agreement from July 1, 2006, through December 31, 2006. A 3 percent increase in pricing was requested by the contractor for this extended period to cover employee costs.

Fiscal Impact

The additional work described in Amendment No. 7 to Agreement C-2-1189 was approved in the Authority's Fiscal Year 2005-06 Budget, Operations Division/Maintenance Department, Account 7615, and is funded through Local Transportation Funds.

Summary

Based on the material provided, staff recommends approval of Amendment No. 7 to Agreement C-2-1189, in the amount of \$370,000, with Diamond Contract Services, Inc.

Attachment

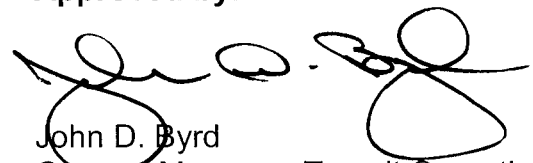
- A. Diamond Contract Services, Inc., Agreement C-2-1189 Fact Sheet.

Prepared by:



Al Pierce
Maintenance Manager
(714) 560-5975

Approved by:



John D. Byrd
General Manager, Transit Operations
(714)-560-5341

ATTACHMENT A

Diamond Contract Services, Inc. Agreement C-2-1189 Fact Sheet

1. March 1, 2003, Agreement C-2-1189, \$582,782, approved by Board of Directors.
 - To provide janitorial services at all Authority owned facilities
2. March 1, 2003, Amendment No. 1 to Agreement C-2-1189, no cost increment, approved by manager of maintenance procurement.
 - Delete Article 5, Paragraph D
3. March 1, 2004, Amendment No. 2 to Agreement C-2-1189, \$594,438, approved by Board of Directors.
 - To exercise the first option year
4. March 1, 2004, Amendment No. 3 to Agreement C-2-1189, \$7,500, approved by manager of maintenance procurement.
 - Extra services to clean overhead areas of the shop at Garden Grove base and to include parts, body, and tool rooms.
5. March 1, 2005, Amendment No. 4 to Agreement C-2-1189, \$700,000, approved by Board of Directors.
 - To exercise the second option year
6. March 1, 2005, Amendment No. 5 to Agreement C-2-1189, no cost increment, approved by Board of Directors.
 - To add the Santa Ana base
7. January 23, 2006, Amendment No. 6 to Agreement C-2-1189, \$350,000, approved by Board of Directors.
 - To extend the contract by four months, through June 30, 2006
8. May 22, 2006, Amendment No. 7 to Agreement C-2-1189, pending approval by the Board of Directors.
 - To extend the contract by six months, through December 31, 2006

Total committed to Diamond Contract Services, Inc., Agreement C-2-1189: \$2,604,720.



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Agreement for Underground Storage Tank Testing and Repair Service

Transit Planning and Operations Committee

May 25, 2006

Present: Directors Brown, Duvall, Green, Norby, and Winterbottom
Absent: Directors Pulido and Silva

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0178 between the Orange County Transportation Authority and Inland Petroleum Equipment and Repair, Inc., in an amount not to exceed \$100,000, for underground storage tank testing and repair service.



May 25, 2006

To: Transit Planning and Operations Committee
From: Arthur T. Leahy, ^{ATL} Chief Executive Officer
Subject: Agreement for Underground Storage Tank Testing and Repair Service

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, the Board approved the contracting of underground storage tank testing and repair services at the four Orange County Transportation Authority operating bases.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-6-0178 between the Orange County Transportation Authority and Inland Petroleum Equipment and Repair, Inc., in an amount not to exceed \$100,000, for underground storage tank testing and repair service.

Background

The Orange County Transportation Authority (Authority) operates four bus bases. In support of these operations, the Authority is responsible for assuring that the underground storage tanks are in good working order, tested and certified in compliance with local and state regulating agencies.

Discussion

This procurement was handled in accordance with the Authority's procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Therefore, the requirement was handled as a competitive negotiated procurement.

The project was advertised on March 13, 2006, and March 20, 2007, in a newspaper of general circulation, and on CAMMNET. A pre-proposal meeting was held on March 16, 2006, and was attended by nine firms.

On April 13, 2006, six offers were received. An evaluation committee composed of staff from Facilities Maintenance, Maintenance Base Management, Construction and Engineering, and Safety and Environmental Compliance was established to review all offers submitted. The offers were evaluated on the basis of qualifications of firm, staffing and project organization, work plan, and cost effectiveness. Based on their findings, the evaluation committee recommends the following firm for consideration of an award:

Firm and Location

Inland Petroleum Equipment and Repair, Inc.
Riverside, California

Fiscal Impact

The project was approved in the Authority's Fiscal Year 2005-06 Budget, Operations Division, Maintenance Department Account 7612, and is funded through the Local Transportation Fund.

Summary

Staff recommends award of Agreement C-6-0178 to Inland Petroleum Equipment and Repair, Inc., in an amount not to exceed \$100,000, for underground tank testing and repair services.

Attachment

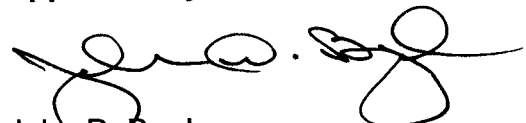
None.

Prepared by:



Al Pierce
Manager, Maintenance
714-560-5975

Approved by:



John D. Byrd
General Manager, Transit
714-560-5341

BOARD COMMITTEE TRANSMITTAL



June 6, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Orange County Transportation Authority Bus Service to the Orange County Fair

This item will be considered by the Transit Planning and Operations Committee on June 8, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.



June 8, 2006

To: Transit Planning and Operations Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Orange County Transportation Authority Bus Service to the Orange County Fair

Overview

The Orange County Transportation Authority is proposing to operate three weekend routes to the Orange County Fair in July 2006 as a demonstration project. The service will operate from park and ride sites to and from the Orange County Fair. If implemented, the service will consume about 870 total revenue vehicle hours at a cost of approximately \$62,300.

Recommendation

Approve the implementation of weekend bus service to the 2006 Orange County Fair as a demonstration project.

Background

The upcoming Orange County Fair will operate from July 7, 2006, through July 30, 2006. Orange County Transportation Authority (OCTA) is proposing to operate bus service from three park and ride locations to test the market potential for this type of service. The proposed service will operate on four consecutive weekends through the duration of the fair. Orange County residents will benefit with an alternative mode of transportation to the fair promoting transit as an efficient and cost effective option. Due to heavy traffic congestion near the fairgrounds, parking limitations and fees, and the high cost of gasoline, this service may prove to be an attractive transportation option for residents of Orange County.

Discussion

The proposal is based on the desire to test the market for discretionary ridership while addressing the need for enhanced service expressed by OCTA's current riders. Each route would operate from about 10:00 a.m. to

12:30 a.m. on a 30-minute frequency. Attachment A includes a map of the route alignments. It is estimated that the service would cost about \$62,300 and carry between 2,160 and 4,810 boardings per day. Due to our limited experience with this type of service, ridership projections assume an average load per trip from a low of 33 percent to a high of 75 percent. If this program is successful, experiences learned this year will be applied to the possible expansion of the program next year and to the development of other services targeting the discretionary rider. The proposed service is subject to Board approval for the fiscal year 2006-07 operating budget.

The recommendation includes the following routes:

ROUTE	SERVICE TO/FROM	SUMMARY OF RECOMMENDATIONS
633	Fullerton Park and Ride to the Orange County Fair	For four weekends only in July 2006, implement a new route from the Fullerton Park and Ride to the Orange County Fair.
670	Golden West Transportation Center/Park and Ride to the Orange County Fair	For four weekends only in July 2006, implement a new route from the Golden West Transportation Center/Park and Ride to the Orange County Fair.
691	Junipero Serra Park and Ride to the Orange County Fair	For four weekends only in July 2006, implement a new route from the Junipero Serra Park and Ride to the Orange County Fair.

Implementation dates for the services described above will begin on July 8, 2006, operating for four consecutive weekends throughout the fair, ending on July 30, 2006. It is proposed that OCTA's regular fares apply to this service.

OCTA staff met with Orange County Fair staff to determine the stop location for this service. The service will drop off and pick up passengers at an existing bus stop in front of the Main Gate on Fair Drive. This stop is equipped with shelters and seating for large passenger volumes. On-site monitoring will be provided by field supervisors to handle capacity issues and address passenger needs should they arise.

OCTA's marketing staff has developed a marketing plan to promote the new Orange County Fair service. The primary marketing plan goals include:

- Developing high awareness of new service in the origination areas
- Stimulating trial use from new riders and current bus riders
- Achieving or exceeding ridership goal of 2,160 boardings per day

To help achieve these goals, a targeted marketing campaign will be conducted. The marketing campaign to launch the three routes will include the following elements:

- Orange County Fair Route Map (to be distributed on all OCTA buses and at OCTA booth at Orange County Fair)
- Print ads in the Orange County Register and/or community newspapers
- Route information at bus stops in origination areas
- Door hanger promotion in origination cities
- Bus interior cards
- Web site promotion at www.octa.net

Next Steps

If approved, OCTA staff will begin the marketing outreach, followed by implementation of the service beginning on July 8, 2006.

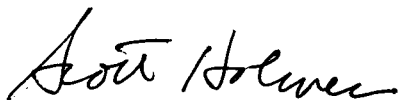
Summary

The proposed service would require approximately 870 total revenue vehicle hours at a cost of approximately \$62,300. The Board is requested to approve the implementation of weekend bus service to the Orange County Fair from July 8, 2006 for the duration of four consecutive weekends ending on July 30, 2006.

Attachment

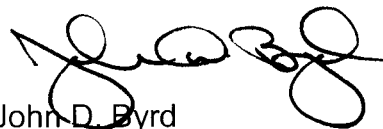
- A. Map of the Proposed Bus Services

Prepared by:

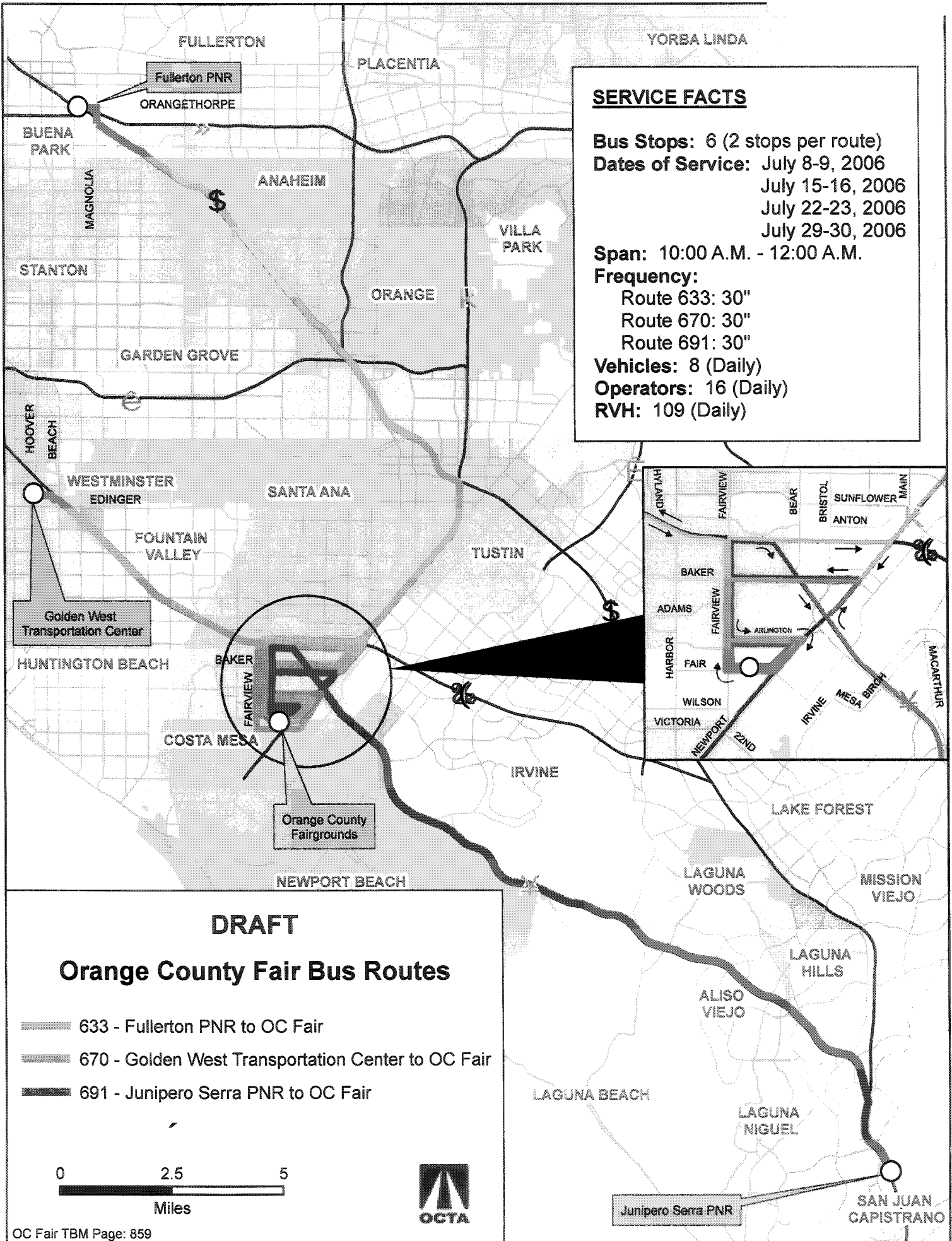


Scott Holmes
Manager, Service Planning and
Customer Advocacy
(714) 560-5975

Approved by:



John D. Byrd
General Manager, Transit
(714) 560-5341



SERVICE FACTS

Bus Stops: 6 (2 stops per route)

Dates of Service: July 8-9, 2006
 July 15-16, 2006
 July 22-23, 2006
 July 29-30, 2006

Span: 10:00 A.M. - 12:00 A.M.

Frequency:
 Route 633: 30"
 Route 670: 30"
 Route 691: 30"

Vehicles: 8 (Daily)

Operators: 16 (Daily)

RVH: 109 (Daily)

DRAFT

Orange County Fair Bus Routes

- 633 - Fullerton PNR to OC Fair
- 670 - Golden West Transportation Center to OC Fair
- 691 - Junipero Serra PNR to OC Fair





BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board ^{WK}
Subject: Agreement for Mobility Planning Services

Transit Planning and Operations Committee

May 25, 2006

Present: Directors Brown, Duvall, Green, Norby, and Winterbottom
Absent: Directors Pulido and Silva

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement C-5-3038 between the Orange County Transportation Authority and Transit Access, Inc., in an amount not to exceed \$235,335, for mobility training for the initial term July 1, 2006, through June 30, 2008.



May 25, 2006

To: Transit Planning and Operations Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Agreement for Mobility Planning Services

Overview

The Orange County Transportation Authority provides mobility planning services as part of the Paratransit Growth Management Plan. These services are currently provided under contract with Transit Access, Inc. The current contract is scheduled to expire on June 30, 2006. A competitive procurement has been conducted. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-5-3038 between the Orange County Transportation Authority and Transit Access, Inc., in an amount not to exceed \$235,335, for mobility training for the initial term July 1, 2006, through June 30, 2008.

Background

The Orange County Transportation Authority (Authority) began its mobility planning services in an effort to educate senior citizens and persons with disabilities how to use the fixed route bus system. This service has been provided under contract with Transit Access, Inc. The content of this program is based on Easter Seals Project Accessible Community Transportation in Our Nation (ACTION), a national technical assistance project funded through a cooperative agreement between United States Department Of Transportation (USDOT), the Federal Transit Administration and Easter Seals. This curriculum, entitled "The Americans with Disabilities Act (ADA)...The Bus Stops Here", teaches persons with disabilities about their rights and responsibilities as outlined in the transportation provisions of the ADA.

This curriculum is the first level of introduction to fixed route transportation services; it is designed in a modular format to maximize flexibility. It can be delivered in one-day training or a separate series of classes. During fiscal year (FY) 2006, 22 workshops were conducted, training a total of 550 participants from high schools, the Regional Center of Orange County, and school-to-work transition programs on how to use the fixed route bus system. This program has been a successful element of the Paratransit Growth Management Plan.

Discussion

This procurement was handled in accordance with the Authority's procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most effective overall proposal considering such factors as staffing, prior experience with similar projects, approach to the project, and technical expertise in the field.

The project was advertised on March 21, 2006, and March 28, 2006, in a newspaper of general circulation and on CAMMNET. On April 24, 2006, five offers were received for the initial two-year term, plus one two-year option term and a single twelve-month option term. The offers were evaluated by a committee composed of Authority staff from Community Transportation Services, Customer Relations, Contracts and Materials Management, and a representative from The Braille Institute.

The top two ranked firms, Transit Access, Inc.(Transit Access), and Connely & Associates were interviewed by the evaluation committee on May 9, 2006. The firm that received the highest overall ranking and submitted the lowest proposed price is Transit Access. Transit Access is the incumbent firm and has unique experience in performing the work described in the Scope of Work. In addition, Transit Access developed and edited Easter Seals Project, ACTION, "The ADA...the Bus Stops Here" training curriculum. Therefore, the evaluation committee recommends contract award to Transit Access, Inc.

Fiscal Impact

This project was approved in the Authority's Fiscal Year 2006-07 Budget, Operations Division/Community Transportation Services, Account 2131-7629 and is funded through the Local Transportation Fund.

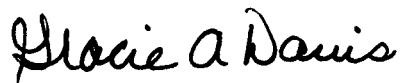
Summary

Staff recommends award of Agreement C-5-3038 to Transit Access, Inc., in an amount not to exceed \$235,335, for mobility planning services.

Attachment

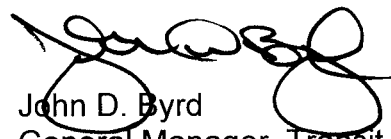
None.

Prepared by:



Gracie A. Davis
ADA Eligibility Administrator
(714) 560-5641

Approved by:



John D. Byrd
General Manager, Transit
(714) 560-5341



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: Wendy Knowles^{WK}, Clerk of the Board
Subject: Amendment to Agreement for Provision of Same-Day Taxi Service

Transit Planning and Operations Committee

May 25, 2006

Present: Directors Brown, Duvall, Green, Norby, and Winterbottom
Absent: Directors Pulido and Silva

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-2376 to increase the current maximum obligation and exercise the first option year between the Orange County Transportation Authority and Yellow Cab of Greater Orange County, in an amount not to exceed \$178,410, for same-day taxi service.



May 25, 2006

To: Transit Planning and Operations Committee
From: ^{ATL/ES} Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Agreement for Provision of Same-Day Taxi Service

Overview

On May 26, 2005, the purchasing agent approved an agreement with Yellow Cab of Greater Orange County, in the amount of \$75,000, to provide same-day taxi service for ACCESS eligible customers.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-2376 to increase the current maximum obligation and exercise the first option year between the Orange County Transportation Authority and Yellow Cab of Greater Orange County, in an amount not to exceed \$178,410, for same-day taxi service.

Background

When the Board adopted the Paratransit Growth Management Implementation Plan in October 2004, staff was directed to develop a service plan for a same-day taxi service. A Request for Proposals was issued and contracts were awarded to two taxi companies, Yellow Cab of Greater Orange County (Yellow Cab) and A Taxi. A Taxi was not able to meet the insurance requirements set forth in the agreement. The program continued with one provider, Yellow Cab. The first year of the agreement with Yellow Cab will expire June 30, 2006.

This service is only available to individuals who qualify for ACCESS service under the Americans with Disabilities Act (ADA). The Board approved implementation of the same-day taxi service to mitigate possible negative impacts of growth management strategies that were implemented on July 1, 2005, such as restricting the service area to the

three-quarter mile fixed route corridor and eliminating same-day medical back-up trips.

Discussion

The operating plan for same-day taxi service includes specific service parameters. Under this program, an individual with ADA eligibility contacts the ACCESS reservation center to request a same-day taxi trip. The reservation center confirms the individual's eligibility, schedules the trip, and relays the trip information to Yellow Cab. When the individual boards the taxi, the regular ACCESS fare of \$2.25 is collected. The Orange County Transportation Authority (Authority) subsidizes the next \$7.75 of the cost of the trip. Together the rider's initial fare and the Authority's subsidy total \$10, which pays for the cost of approximately a three-mile trip. If the trip is longer and the meter shows more than a \$10 fare at the destination, the customer is required to pay the taxi operator any amount that exceeds \$10. Fares are generally quoted to customers prior to the trip to alleviate confusion.

The Authority currently pays an average of \$26.55 for an ACCESS trip. In comparison, the Authority's cost of a same-day taxi trip is \$7.75. This began as a pilot program for the Authority to allow analysis of demand and cost. Ridership has steadily increased each month since inception. Fiscal year to date 9,831 trips have been booked, an average of 1,092 per month. This represents approximately a \$203,000 savings in comparison to the cost of ACCESS trips. Approximately 8 percent of these trips were booked by individuals whose origin or destination was beyond the three-quarter mile corridor from fixed route.

The initial agreement was in the amount of \$75,000 and is scheduled to expire June 30, 2006. An increase of \$20,000 in the maximum obligation is necessary to continue to provide these services through the initial term of the agreement. In addition, it is necessary to exercise the first option term of the contract, not to exceed \$158,410, to continue the service. This amendment increases the total maximum obligation to Yellow Cab of Greater Orange County to \$253,410.

Fiscal Impact

The same-day taxi service was approved in the Authority's Fiscal Year 2006-07 Budget, Community Transportation Services Department/Operations Division, Account 2131-7311-D1208-33H, and is funded through the Local Transportation Fund.

Summary

A same-day taxi pilot program was implemented in May 2005 as part of the Paratransit Growth Management Plan. This service is provided under contract with Yellow Cab of Greater Orange County. The current contract is scheduled to expire on June 30, 2006. Approval is requested to execute Amendment No. 1 to Agreement C-5-2376, which increases the maximum obligation of the current agreement and exercises the first option term of the agreement.

Attachment

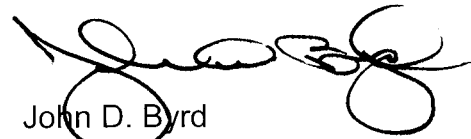
- A. Yellow Cab of Greater Orange County Agreement C-5-2376 Fact Sheet

Prepared by:



Erin Rogers
Department Manager
Community Transportation Services
(714) 560-5367

Approved by:



John D. Byrd
General Manager, Transit
(714) 560-5341

ATTACHMENT A

**Yellow Cab of Greater Orange County
Agreement C-5-2376 Fact Sheet**

1. May 25, 2006, Amendment No. 1 to Agreement C-5-2376, \$178,410, pending approval by the Board of Directors.
 - Increase the maximum obligation.
 - To exercise the first option year.
2. May 26, 2005 Agreement C-5-2376, \$75,000, approved by the Board of Directors
 - To provide non-ADA same-day taxi service to ACCESS eligible riders.

Total committed to Yellow Cab of Greater Orange County, Agreement C-5-2376: \$253,410.



BOARD COMMITTEE TRANSMITTAL

June 12, 2006

To: Members of the Board of Directors
From: ^{WJK} Wendy Knowles, Clerk of the Board
Subject: Third Quarter Fiscal Year 2005-06 Bus Operations Monthly Performance Measurements Report

Transit Planning and Operations Committee

May 25, 2006

Present: Directors Brown, Duvall, Green, Norby, and Winterbottom
Absent: Directors Pulido and Silva

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file as an information item.



May 25, 2006

To: Transit Planning and Operations Committee
From: Arthur T. Leahy, ^{ATL} Chief Executive Officer
Subject: Third Quarter Fiscal Year 2005-06 Bus Operations Monthly Performance Measurements Report

Overview

The Orange County Transportation Authority recognizes the need for improved accountability and operational performance. With this in mind, the Bus Operations Monthly Performance Measurements report was developed in accordance with executive management direction. The Bus Operations Monthly Performance Measurements Report serves as a tool to survey operational performance and as the nexus for process improvements.

Recommendation

Receive and file as an information item.

Background

In an effort to improve the operation of Orange County Transportation Authority's (OCTA) Transit Division, staff has developed the Bus Operations Monthly Performance Measurements Report. This report is designed to allow management to monitor and evaluate how their respective business units are performing against budgeted targets.

The Fiscal Year (FY) 2005-06 Bus Operations Monthly Performance Measurements Report has been designed to allow management to focus on several key areas within Bus Operations Department and Community Transportation Services (CTS) with an emphasis on safety, reliability, efficiency, and compliance with the Americans with Disabilities Act (ADA). This performance measurement report reverberates the Chief Executive Officer's message of continuous improvement, which has been communicated to all levels of management through recognition of key objectives and is aligned with the annual budget. The key objectives are linked to a broader set of performance measures that will be monitored for both Bus Operations Department and CTS.

By utilizing these measurements, management will have the ability to analyze trends and to assess the effectiveness and efficiency of the overall Bus Operations program. Through this process, management can implement change to improve the Transit Division performance and deliver a more cost effective system.

The following pages will detail the seven key objectives for Bus Operations Department, five key objectives for CTS, and other significant measurements.

Discussion

For FY 2005-06, executive management has emphasized the following key objectives for Bus Operations Department:

Bus Operations Department Key Objectives

Objective I - Reduce Accidents

To provide safe and reliable service it is necessary to continue to minimize the number of accidents involving OCTA's buses and passengers. Through the third quarter of FY 2005-06, reportable accidents are 1,189, which is virtually the same as the prior year total of 1,188. When controlling for total miles, however, the rate of vehicular accidents per 100,000 miles has actually increased slightly (1.4 percent) over last year's mark. Bus Operations Department is focusing on reducing passenger falls which are not counted as vehicular accidents, and buses struck while in the loading zone – two types of accidents contributing to nearly half of all reportable accidents.

Objective II - Increase On-time Performance

OCTA's passengers rightfully expect that our buses will arrive on-time at locations specified in the published timetable. This is OCTA's contract with the public. Greater on-time performance will occur from more effective schedule-writing and improved operator training. This measure is produced from a sampling of schedule checks and supervisor checks. Through the third quarter, on-time performance was 86.4 percent, just above last year's mark of 85.8 percent.

Objective III - Reduce Customer Complaints

Coach operators are the ambassadors of OCTA and as such recognize the importance of Putting Customers First. Through the third quarter, the total

number of complaints was 2,192 which is 18.1 percent below the prior year total of 2,676.

Objective IV – 100 Percent Compliance on Calling out Stops

The ADA mandates that operators announce stops and major connection points in buses not equipped with enunciators. Non-compliance is a major work rule violation and subject to progressive discipline. Through a sampling methodology of several types of checks, the third quarter compliance has been at 99 percent, which is 5.3 percent above the 94 percent compliance from last year.

Objective V - Increase Miles Between Road Calls

Miles between road calls is a direct measurement of the mechanical reliability of the OCTA bus fleet. The target for this measure has been increased this year from 10,000 miles to 11,000 miles between road calls. The Maintenance Department has put tremendous effort into several bus campaigns to increase the miles between road calls. Through the third quarter, their effort has paid off, reaching 11,481 miles between road calls, which exceeds the target of 11,000 and slightly above last year's mark by 0.9 percent

Objective VI - Improve Operator Pay Hour per Vehicle Hour

Operator pay hour per vehicle hour is an efficiency measurement of how well OCTA utilizes the coach operator workforce. This is a ratio of operator pay hours over vehicle hours. The goal of this measurement is to trend downward. Through the third quarter, the ratio is 1.14 to 1, which is less than last year's mark of 1.15 by 0.9 percent.

Objective VII - Improve Maintenance Pay Hour per Vehicle Hour

The maintenance pay hour per vehicle hour ratio is an efficiency measure of the cost to maintain the revenue fleet. Through the third quarter, the ratio is 0.50 to 1 which is 2 percent lower than last year's mark of 0.51 to 1.

Community Transportation Services Key Objectives

Objective I - Increase On-Time Performance

As Mobile Data Terminals (MDT) continue to be installed in the small bus fleet, the information needed to monitor on-time performance will become more

readily available. The MDT project began installation in the first quarter of FY 2005-06 with the anticipated completion delayed until the fourth quarter of FY 2005-06. Data collection will be more reliable upon installation of all the MDT's.

Objective II - Reduce Customer Complaints

Coach operators are the face of OCTA to most of our customers and as such recognize the importance of Putting Customers First. This emphasis extends to operators providing contracted services as well. Through the third quarter of FY 2005-06, the total number of complaints was 1,953, which was 16.1 percent below last year's third quarter total of 2,329.

Objective III - Increase Miles Between Road Calls

The CTS goal for miles between road calls has been lowered from 26,000 to 25,000 for FY 2005-06 based on prior year actuals. Through the third quarter, the miles between road calls have been 12,961. The small bus fleet through FY 2005-06 has experienced unanticipated maintenance issues, which has kept the miles between road calls significantly lower than the target. The 6200's fleet series, which are 96 of the newest cutaway vehicles, have been subject to engine, cooling system, and air conditioning problems that have required frequent servicing. The 6200's were averaging 7,500 miles between road calls through the first quarter of this year. The 6200's mileage has improved to 9,685 miles between road calls during the third quarter. The remaining fleet of cutaway vehicles average 16,350 miles between road calls.

While miles between road calls is underperforming compared to last year, progress has been made. Representatives from the engine manufacturer are on-site and working to minimize breakdowns. Staff updated the Transit Planning and Operations Committee on the status of the 6200's at the meeting on March 9, 2006.

Objective IV - Increase Boardings per Vehicle Revenue Hour – ACCESS

ACCESS boardings per vehicle revenue hour (VRH) through the third quarter have increased 4.3 percent to 2 passengers from the prior year level of 1.92 passengers. This increase indicates improving productivity for this service.

Objective V - Increase Boardings per Vehicle Revenue Hour – Special Agency

Special Agency boardings per VRH through the third quarter have increased 15.1 percent to 4.6 passengers which exceeds the prior year level of 4 passengers. This increase indicates improving productivity for this service.

Bus Operations Department: Other Measures of Interest

With the fare change in January 2005, there was an anticipated dip in boardings growth, but through the third quarter boardings have increased by 1.2 percent or 500,909 riders as compared to prior year. Boardings per VRH (38) have increased by 0.2 percent as compared to prior year (37.94).

Revenues have risen to \$39.1 million, a 12.9 percent increase over prior year. This increase in revenue has helped to offset an increase in operating costs. The third quarter year to date operating cost of \$101.92 per VRH is 5.7 percent higher than the prior year cost of \$96.38. The increase in operating costs through this quarter is primarily attributable to three causes. The first cause is higher diesel fuel costs at \$2.09 per gallon versus the budgeted price of \$1.50. The second cause is the increase in the cost of liquefied natural gas (LNG) from \$0.53 to \$1.30 per gallon. The third cause is an increased liability expense absorbed by Orange County Transit District.

As a ratio of revenues versus expenses, the farebox recovery reflects the changes in revenue and operating costs. The farebox recovery ratio has increased to 25.75 percent through the third quarter, compared to prior year of 24.2 percent.

Paratransit: Other Measures of Interest

OCTA's paratransit service is comprised of both ACCESS and Special Agency Transportation. ACCESS represents the bulk of the two services and is mandated by the ADA. In the third quarter, boardings have shown a slight increase of 0.3 percent compared to the prior year. It is anticipated that the growth management strategies implemented in July 2005 should tend to flatten the rate of growth over the near term.

VRH have decreased by 3.6 percent or 15,968 through the third quarter as compared to prior year which has resulted in a savings of \$1.46 million as compared to the same period last year.

The farebox recovery ratio has increased to 12.73 percent as compared to prior year of 10.83 percent.

In an effort to maintain ADA compliance, staff has been successful in achieving zero denials through March 2006.

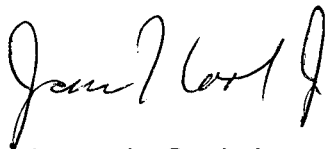
Summary

The performance measurements report through the third quarter of fiscal year 2005-06 represents a variety of areas that are moving in a positive direction - revenues, farebox recovery, and customer complaints. Increased effort has been focused on controlling the growth of operating costs and reducing accidents. Paratransit continues to experience a significant demand for service. As staff continues implementation of the growth management strategies, continued improvements in productivity such as the increase of boardings per revenue hour are expected. These key objectives will continue to provide focus into the functional areas of the Orange County Transportation Authority bus business.

Attachment

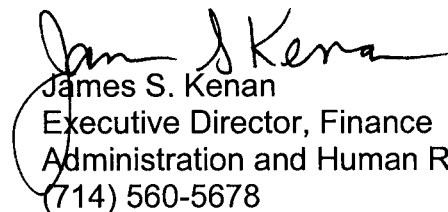
- A. Orange County Transportation Authority Monthly Performance Measurements Bus Operations March 2006.

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Approved by:



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Administration and Human Resources
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**A POWERPOINT PRESENTATION WILL
ACCOMPANY THIS ITEM AND WILL BE
PROVIDED TO YOU VIA E-MAIL PRIOR
TO THE MEETING.**

Bus Rapid Transit (BRT) Update

Board of Directors Meeting
June 12, 2006



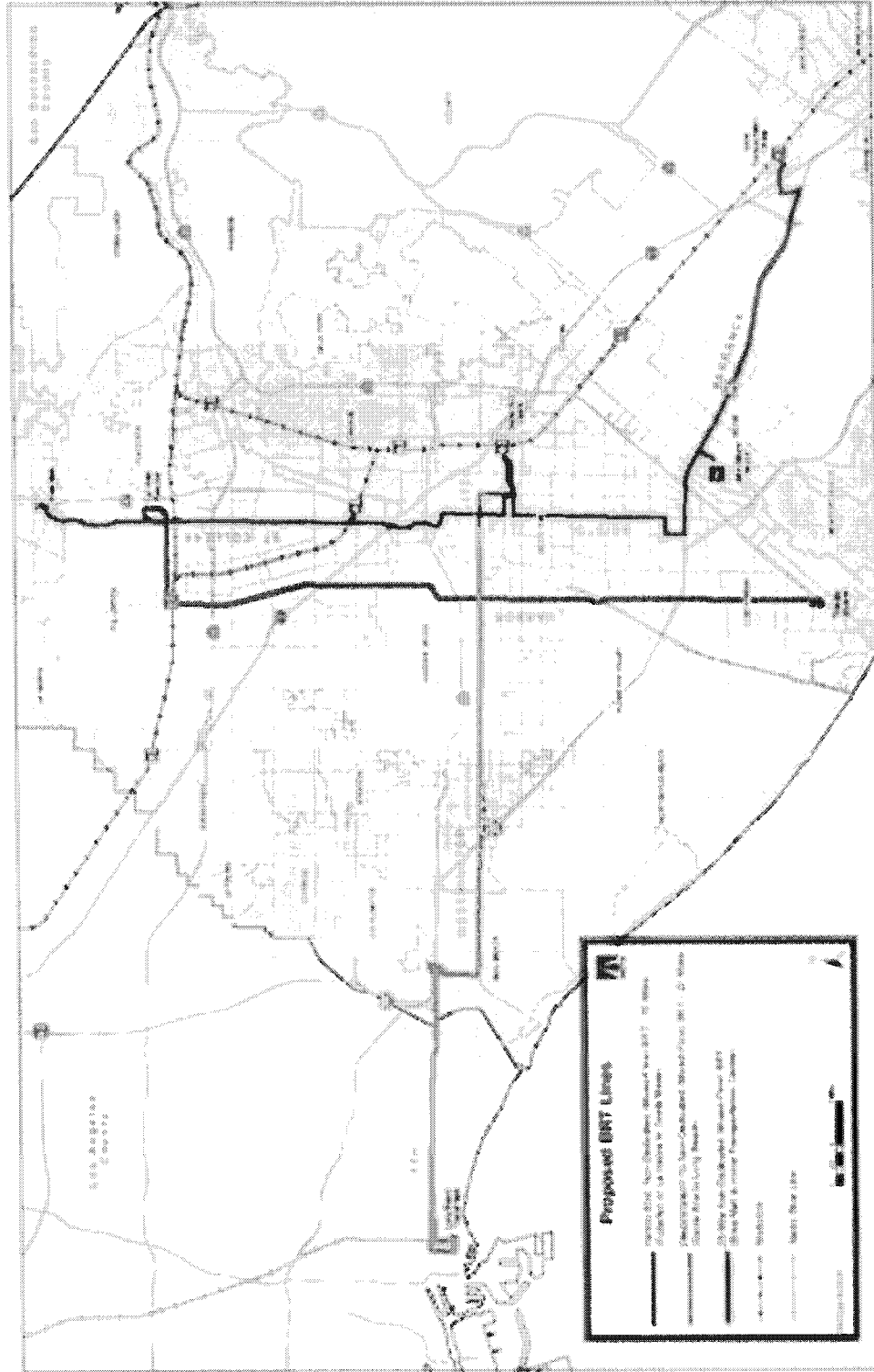
Background

- Program Background
 - Historical
 - Current Efforts
- Program Elements
- Fleet
 - Current Procurements
 - BRT Fleet Options
- Branding

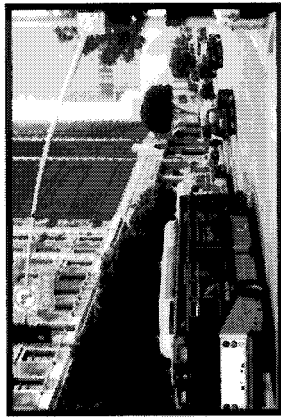
Transportation Control Measure

- Provide equivalent emission reductions in lieu of The CenterLine project (2010 Air Quality Management District thresholds)
- Transportation Planning and Operations Committee and Board approved 5-year transit options, including BRT program in October 2005
- Three approved BRT corridors with a total budget of \$125 million:
 - Harbor (late 2008)
 - Westminster/17th (late 2009)
 - State College/Bristol (late 2010)

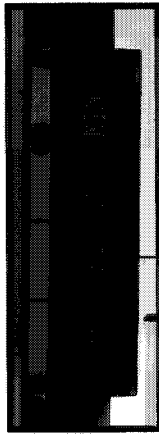
Proposed BRT Lines



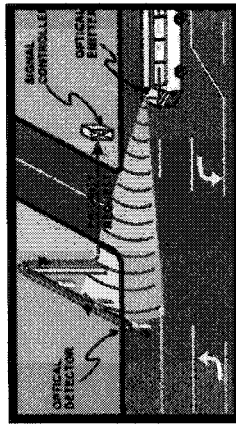
Approved Elements



Non-Dedicated
(Mixed Flow)
on Arterials

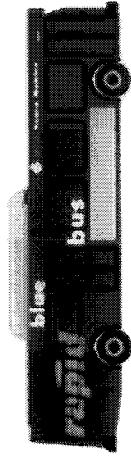


Frequent
Service and
Real-Time
Passenger
Information

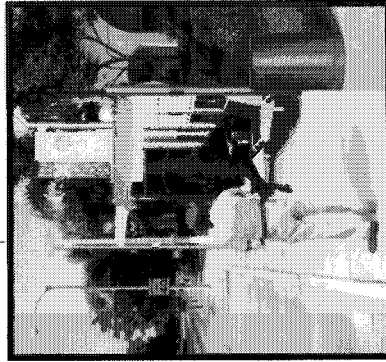


Transit
Signal Priority

Distinct
Bus Identity

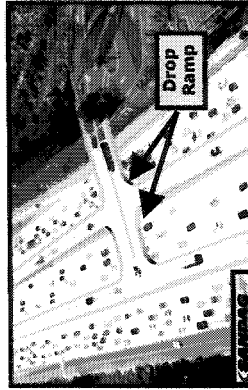


System
Branding



Customized
Shelters

Freeway/HOV
Drop Ramps



Current BRT Activities

- BRT Program approved for Regional Transportation Improvement Plan (RTIP) and State Transportation Improvement Plan (STIP) funding
- Project Management Consultants (PMC) started work in January 2006
- Initiated project meetings with cities along the Harbor Blvd. Corridor (Fullerton, Anaheim, Garden Grove, Santa Ana, Fountain Valley and Costa Mesa)
- BRT Technology/Fleet options are under review

BRT Fleet: Current Efforts

- Procure up to 377 low-floor, 40-foot, CNG coaches from New Flyer
 - Replacement of the existing fleet
 - Expansion of service
- Board approved procurement of 299 buses May 2006
- STIP funding available in July 2007 for remaining 78 BRT bus option

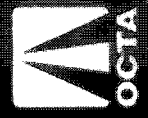
BRT Fleet: Options

Key Attributes

- Attractive appearance
- Alternative fuels (meet AQMD)
- Buy American
- Reliable
- Cost effective

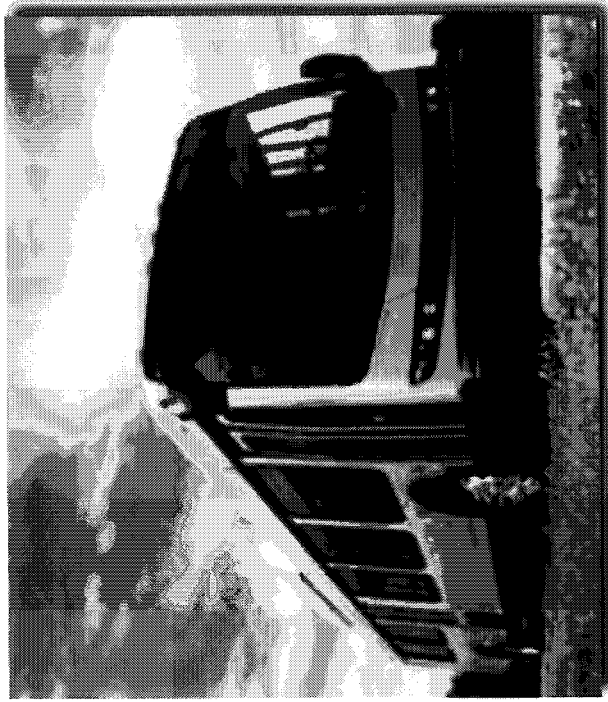
Current vs. Options

COMPANY	SIZE	LOW FLOOR	FUEL TYPE	BASE COST (Each)	DELIVERY TIME	NO. IN SERVICE
NEW FLYER	40'	YES	CNG	\$435K	Sept. 2008	2,935
NEW FLYER	40' BRT	YES	CNG	\$450K	18-24 Months	None (26 TBD)
NEW FLYER	60' Artic	YES	CNG	\$800K	18-24 Months	300
NEW FLYER	62' Artic	YES	CNG	\$850K	18-24 Months	None
NABI	40'	YES	CNG	\$390K	18-24 Months	1,300
NABI	60' Artic	YES	CNG	\$850K	18-24 Months	200



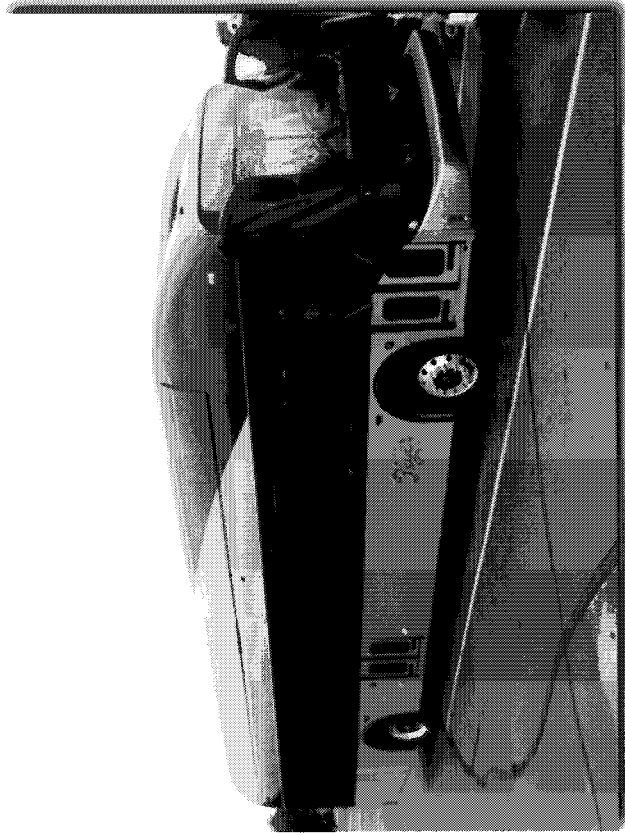
Fleet Options: Current

COMPANY	SIZE	LOW FLOOR	FUEL TYPE	BASE COST (Each)	DELIVERY TIME
NEW FLYER	40'	Yes	CNG	\$350K	Sept. 2008



Fleet Options

COMPANY	SIZE	LOW FLOOR	FUEL TYPE	BASE COST (Each)	DELIVERY TIME
NEW FLYER	40' BRT	Yes	CNG, Hybrid	\$450K	18-24 Months



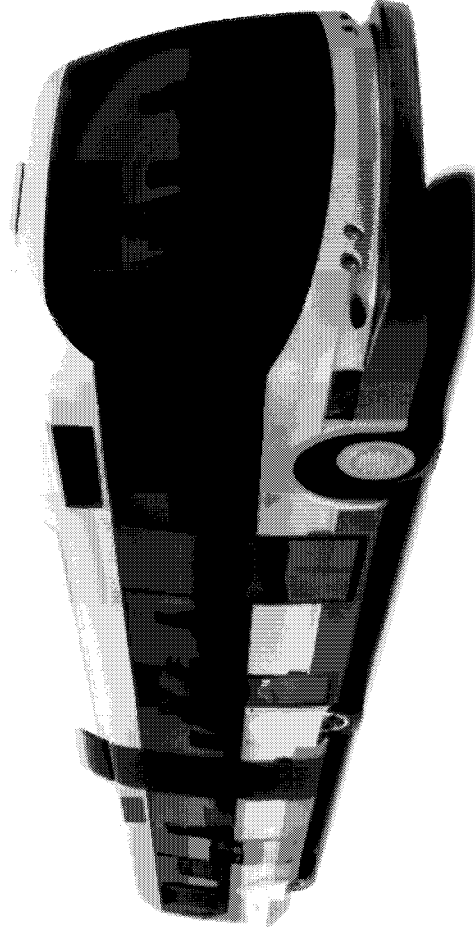
Fleet Options

COMPANY	SIZE	LOW FLOOR	FUEL TYPE	BASE COST (Each)	DELIVERY TIME
NEW FLYER	60' BRT	Yes	CNG, Hybrid	\$800K	18-24 Months



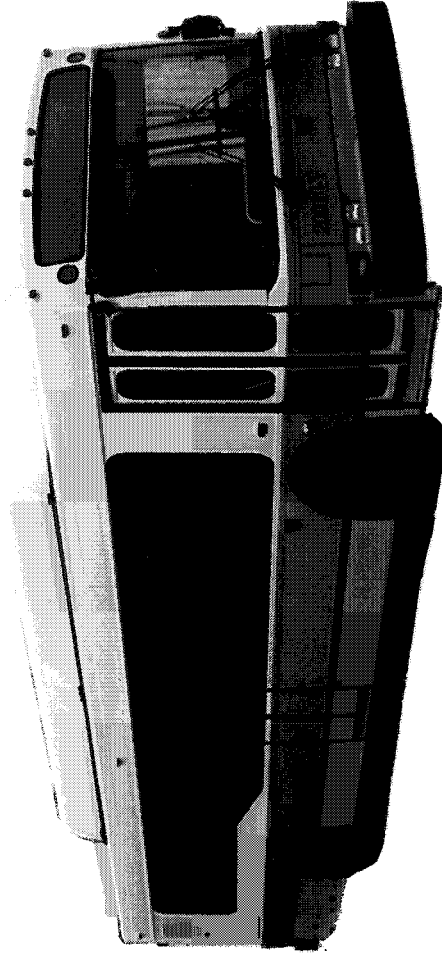
Fleet Options

COMPANY	SIZE	LOW FLOOR	FUEL TYPE	BASE COST (Each)	DELIVERY TIME
NEW FLYER	62' Artic	Yes	CNG, Hybrid	\$850K	18-24 Months



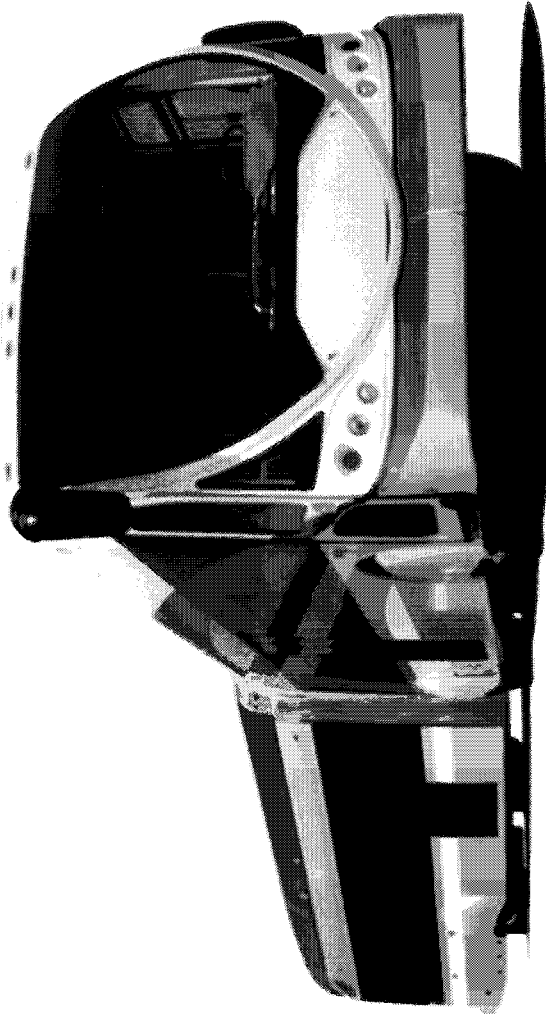
Fleet Options

COMPANY	SIZE	LOW FLOOR	FUEL TYPE	BASE COST (Each)	DELIVERY TIME
NABI	40'	Yes	CNG	\$390K	18-24 Months



Fleet Options

COMPANY	SIZE	LOW FLOOR	FUEL TYPE	BASE COST (Each)	DELIVERY TIME
NABI	60' Artic	Yes	CNG	\$850K	18-24 Months



Impacts

- Schedule Delays
 - Potential modification of start dates
 - Temporary BRT fleet
- Fleet
 - Decreased fleet flexibility
 - More attractive, higher capacity options

Impacts

- Operations and Maintenance
 - Additional operator and mechanic training
 - Separate parts inventory
 - First article inspection
- Budget
 - Increased cost
 - Increased initial operation and maintenance costs
 - Increased capital costs for potential facility modifications

Branding

- Differentiate BRT to attract new riders
- Provides a unique identity across all BRT elements:
 - Distinct *system name*
 - Buses
 - Shelters
 - Signage/schedules
 - Public information/marketing

Next Steps

- Proceed with BRT fleet procurement
- Define operations and physical facilities
 - Coordinating BRT service with local service
 - Transit Signal Priority (TSP) technology
 - Station design
 - Discuss fare policies
 - Develop detailed operating plan
- Continue meetings with cities
- Proceed with branding development
- Return to the Board with periodic updates

DIRECTORS' MEETING REPORTS
 May 22 through June 3, 2006
 Report for Board Meeting of June 12, 2006

DIRECTOR	DATE	DESCRIPTION OF MEETING
Chairman Art Brown	May 24, 2006 May 26, 2006	Annual June New York rating agency trip briefing meeting OCTA, Caltrans, Granite, and Parsons meeting
Chairman Art Brown Vice Chair Carolyn Cavecche	May 31, 2006	Measure M Transportation Investment Plan presentation to the City of Westminster Council meeting
Chairman Art Brown Vice Chair Carolyn Cavecche Lou Correa Cathy Green Chris Norby Greg Winterbottom	June 3, 2006	Metrolink weekend service event
Curt Pringle	May 26, 2006	Anaheim Regional Transportation Intermodal Center briefing meeting
Mark Rosen	June 1, 2006	State Route 22 briefing meeting